

JPRS-UKO-88-018  
28 DECEMBER 1988



**FOREIGN  
BROADCAST  
INFORMATION  
SERVICE**

# ***JPRS Report***

## **Soviet Union**

***KOMMUNIST***

No 12, August 1988

**DISTRIBUTION STATEMENT A**

Approved for public release;  
Distribution Unlimited

19980716 072

REPRODUCED BY  
U.S. DEPARTMENT OF COMMERCE  
NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

**DTIC QUALITY INSPECTED 1**

# Soviet Union KOMMUNIST

No 12, August 1988

JPRS-UKO-88-018

## CONTENTS

28 DECEMBER 1988

Information Report on CPSU Central Committee Plenum [p 3] .....	1
On Practical Work To Implement the Decisions of the 19th Party Conference [M. Gorbachev; pp 4-27] ....	1
Socialism and Property [V. Shkredov; pp 28-37] .....	16
Joint Enterprises—Initial Results and Prospects [I.D. Ivanov; pp 38-47] .....	22
Production Self-Management: What Stands in the Way? [Y.P. Torkanovskiy; pp 48-56] .....	28
Notes on Problems of Radical Economic Reform [A. Nouv; pp 57-59] .....	34
Dogmatism of Theory Means Lack of Responsibility; Philosophy and Some Lessons From the Past [V.V. Ilin, A.Y. Razumov; pp 60-72] .....	36
Bureaucratism and Bureaucracy: Need For Specification [L. Gudkov, Yu. Levada, et al.; pp 73-84] .....	44
Returning To Water Problems.... [pp 85-90] .....	52
Working At One's Job: Specialists Comment on Readers' Letters [pp 91-94] .....	58
Development Trends in Contemporary Mathematics [V.S. Vladimirov, L.D. Faddeyev; pp 95-103] .....	62
Socialism and Man In Cuba [E. Guevara; pp 104-114] .....	67
'The West as Well Must Think in a New Fashion' [pp 115-118] .....	74
Position in Perestroyka and the Price of Competence; Survey of Economic Articles [Ye. Yasin; pp 119-128] .....	78
Chronicle. Meetings With the Editors [p 128] .....	87
Publication Data .....	87

**KOMMUNIST**

**No 12, August 1988**

**Information Report on CPSU Central Committee Plenum**

*18020018a Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) p 3*

[Text] A regular CPSU Central Committee Plenum took place on 29 July 1988.

The plenum examined the question "On Practical Work To Implement the Decisions of the 19th All-Union Party Conference." M.S. Gorbachev, general secretary of the CPSU Central Committee, presented a report on this question.

The plenum participants were given the opportunity to familiarize themselves beforehand with draft documents prepared by the CPSU Central Committee Politburo, proceeding from the directives of the 19th All-Union Party Conference.

The following spoke in the debate on the report: Comrades V.V. Shcherbitskiy, first secretary of the Ukrainian Communist Party Central Committee; V.P. Demidenko, first secretary of the Kustanay Kazakh Communist Party Obkom; Ye.D. Pokhitaylo, first secretary of the Omsk CPSU Obkom; I.S. Boldyrev, first secretary of the Stavropol CPSU Kraykom; N.F. Vasilyev, USSR minister of land reclamation and water resources; V.M. Kavun, first secretary of the Zhitomir Ukrainian Communist Party Obkom; Yu.F. Solovyev, first secretary of the Saratov CPSU Obkom; V.N. Pletneva, weaver at the Kostroma Flax Combine imeni V.I. Lenin; B.K. Pugo, first secretary of the Latvian Communist Party Central Committee; A.F. Ponomarev, first secretary of the Belgorod CPSU Obkom; A.S. Systsov, USSR minister of the aviation industry; N.F. Tatarchuk, first secretary of the Kalinin CPSU Obkom; Ye.Ye. Sokolov, first secretary of the Belorussian Communist Party Central Committee; G.V. Kolbin, first secretary of the Kazakh Communist Party Central Committee; and V.A. Bykov, USSR minister of the medical and microbiological industry.

M.S. Gorbachev, general secretary of the CPSU Central Committee, delivered a concluding speech at the plenum.

The plenum adopted a resolution on the question discussed, which will be published in the press.

The plenum also adopted resolutions "On Reports and Elections in Party Organizations" and "On the Basic Directions of Restructuring the Party Apparatus," which will be published in the press.

The plenum adopted a Central Committee Politburo proposal for the formation of a CPSU Central Committee commission under the chairmanship of M.S. Gorbachev,

general secretary of the CPSU Central Committee, to prepare proposals connected with implementing the reform of the political system of Soviet society.

With this the CPSU Central Committee Plenum ended its work.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

**On Practical Work To Implement the Decisions of the 19th Party Conference**

*18020018b Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 4-27*

[Report by M.S. Gorbachev, general secretary of the CPSU Central Committee, at the 29 July 1988 CPSU Central Committee Plenum]

[Text] Comrades!

The Politburo decided to convene this plenum to discuss practical measures to fulfill the decisions of the 19th All-Union Party Conference—a conference which became a most important political landmark in restructuring.

At this conference we all felt particularly keenly that a firm view that it is necessary to intensify work to implement the practical tasks of restructuring has become established in the party and society. This was stated at full volume, particularly by delegates representing production collectives.

There was a unanimous demand that there should be no foot dragging or biding time, that it is necessary to react more keenly to shortcomings and failures and to act resolutely, eliminating all barriers and obstacles in our path. The delegates' speeches not only contained concern about the course of affairs but, we frankly acknowledge, also expressed discontent at how party, soviet, and economic authorities and our leadership cadres are operating.

It has to be stated bluntly, comrades, that time is pressing us. Why?

First, the accountability and election campaign in the party is beginning.

When we discussed with you the question of the timing of the all-Union conference, we proceeded from the premise that it would be held on the eve of the reports and elections in the party so that communists' accountability and elections meetings and rayon, city, okrug, oblast, and kray party organization conferences would be held on the basis of the political guidelines of the all-Union forum.

Furthermore, we agreed at the conference that it is essential right now, without wasting any time, to organize all work relating to the reform of the political system with a view to ensuring that elections are held on a new legal basis, and a USSR congress of people's deputies convened in the spring of next year.

The conference delegates resolutely advocated the further deepening of the economic reform, for the implementation of fundamental socioeconomic tasks and the improvement of the people's life is linked with this.

Thus, from whatever angle you approach it, there is no time to lose. It is necessary to act, and to act resolutely, and to increase exigency for the resolution of practical questions, which are assuming an increasingly acute political nature.

In general, comrades, the time for action, for practical deeds, has come; a time of growing responsibility on the part of all party organizations, all our cadres, all collectives, and every working person.

During these past weeks, we have all had an opportunity to ponder once again the significance of the conference, to thoroughly assess its results and the decisions it made. It can be said that an unprecedented event in the life of the party has occurred. The conference shook up the whole of society. Its very atmosphere—uninhibited, polemical, principled, and exacting, with a frank discussion of the pressing problems—was a very major contribution to restructuring.

The conference, which was held in a new moral and political atmosphere, an atmosphere of realism, enriched the party with new experience as a nationwide political school, a school of glasnost and democracy. The interest in this conference is not abating. A committed discussion of all the questions which it raised and resolved is going on. The conference also generated a broad response throughout the world.

The conference convincingly demonstrated once again the powerful potential of our party. I would say that the party has, as it were, squared its shoulders, drawn itself up straight, and begun to talk confidently in a full voice, innovatively, and with a sense of tremendous responsibility to the people. The conference confirmed that the CPSU is the real driving force of restructuring, its initiator and acknowledged leader, reflecting the fundamental interests of the people and socialism. This is the most important political result of our party conference.

In a word, it can be confidently stated today that after the conference both the party and society are no longer what they were yesterday. The preparation and holding of the conference raised to new heights our understanding of the country's past, present and future alike.

The delegates sharply criticized the mistakes and crimes of the past. At the same time, they categorically rejected attempts to wipe out the Soviet people's historical achievements. The progress of restructuring, its achievements, shortcomings, and defects, were assessed from principled positions at the conference. It can be confidently said that the conference led us to new assessments of the problems and tasks of our journey along the path of the renovation of society.

The conference demonstrated the tremendous aspiration of communists and the entire people to consistently advance restructuring, to make it irreversible, and to vigorously resolve practical questions in all areas of domestic and foreign policy.

At the same time, it showed that conservative sentiments, nostalgia for the past, and attempts to sow doubts and depict restructuring not as a historic creation but virtually as social destabilization have still far from been overcome in society. This too cannot be disregarded if we wish to remain realists in politics.

The conference delegates called strictly to account those party committees which are still being slow to change the style and methods of their activity and which in many instances fail to display the readiness and ability to work under conditions of openness, conduct discussions, argue, persuade comrades, and accept criticism in a bolshevik manner, as V.I. Lenin taught.

Some people are simply frightened by the upsurge in people's energy and their awakened sociopolitical activity. Verbally they are in favor of restructuring, but with democracy; in favor of glasnost but with measured-out petty criticism; in favor of renewal, as long as for them personally everything remains as usual, as of old. The struggle against freeloading is having a hand in time. Exacting demands of specific people for specific matters are lacking.

The delegates showed convincingly that the obstruction mechanism, although partly broken, still maintains its potency in many respects. The conference helped to ascertain where and how old structures and methods are standing in the way of innovation, obstructing it, and preventing it from developing. But it also showed that many constraints on restructuring originate in the imperfect conception of some steps which are taken, incompetence, and other subjective factors. All this put together provides us with a truthful picture of what we have already achieved at this stage of restructuring and what is still to be resolved, without delay.

In the final analysis, comrades—and this is very important for the Central Committee—the conference gave us all extra realism in assessing the progress of restructuring. It demonstrated society's determination to move forward, overcoming the conservatism and obstructions.



At the same time, it opposed any pseudorevolutionary slogans divorced from life, maximalist demands, and utopian attempts to restructure everything at single stroke.

The preparations for the conference and the conference itself developed into a political test of cadres' maturity, political standards and readiness for democratic forms of action. Our urgent tasks, reserves, and most effective forms and methods of work were highlighted particularly clearly. We formulated and adopted at the conference decisions incorporating a broad range of transformations which must activate the potential forces of the free self-development of socialist society.

Pondering once again the results of the conference and the discussions which took place, comrades, we must firmly gear ourselves up to effecting a resolute turnaround toward practical actions.

The conference showed that both in the party and among the people, in the wake of support for restructuring, a demand, which was repeatedly violated in the past, is being made particularly persistently—a demand for unity of word and deed and responsibility for one's actions, and inaction. Party cadres must apply this immutable party law first and foremost to themselves. There is a need for action and for verification of the execution of adopted decisions. Otherwise, relapses into old mistakes are inevitable. That, essentially, was the unanimous opinion of the delegates.

I could confine myself to these brief observations in talking about the results of the conference. But let me repeat again and again: the time has come for vigorous action, comrades, and there can be no delaying. Only practical actions to implement the political guidelines formulated by the conference will make restructuring irreversible.

What is the Politburo doing in this respect?

First, a package of plans embodying the proposals of conference participants have been drafted. These relate primarily to food, trade, and consumer goods and services—that is, anything that has a direct impact on people and relates to their daily needs and concerns. You have these documents in your hands; this saves me from spelling them out in detail.

Next, I wish to inform you about how we have approached the implementation of the proposals and critical remarks expressed by the delegates. The Politburo has assigned all questions which must be resolved expeditiously to communists working in the relevant organizations and leadership cadres. Assignments have also been issued on long-term problems, with deadlines set for drafting specific proposals. The Politburo will keep an eye on all this work.

## I.

Comrades! The specific situation taking shape is that the implementation of the party conference decisions coincide with the accountability and election campaign in the party. I think you will agree that the forthcoming reports and elections will be different from all previous ones.

All this makes it incumbent upon us—the Central Committee and local party committees—to make thorough preparations and to hold the accountability and election campaign with the highest standard. It should be clear to everyone that party organizations will carry out a strict self-scrutiny and undergo a responsible examination before society.

Obviously there will be a direct, open, honest, and truly party-minded discussion of how every one of us is fulfilling his assignment, his contribution to restructuring, and whether everyone's words of support for restructuring are backed up by the necessary actions. This approach should form the basis for discussion at the party meetings and conferences. And that is right, comrades. It accords with the conference's demands—a more businesslike approach, more results.

That is why the party debate must be focused on the following question: What must be done to give restructuring greater dynamism and greater effectiveness, to put an end to delays in getting things moving, to strike a final blow against everything that hampers our progress?

That is why it is important to hold party meetings and conferences democratically and openly, to prevent any tendency to overorganize, and to offer wide scope for objective assessments of the state of affairs and of all the issues that people are concerned about.

In short, at the accountability and election meetings and party conferences of communists we must continue the discussion begun at the 19th Party Conference, with an equally principled, responsible, and businesslike approach. The state of affairs requires precisely this approach.

We can confidently say that the elections of leading party organs will also now be conducted in a new way. Listening to the conference delegates, we were convinced that the communists will be very demanding in selecting the party's leadership. They will decide from principled standpoints who is to be entrusted with the leadership of party organizations at this important stage of restructuring, now that we have entered the phase of practical actions in its key avenues. It is necessary immediately to put into operation the conference recommendations on the procedure for nominating and discussing candidacies and including on the slate for secret voting a greater number of candidates than there are openings and to exercise the right to nominate candidates for higher

party authorities from lower levels. In general, everything must be done as we agreed at the party conference, and in the same atmosphere as prevailed there.

In view of the importance of the tasks that the forthcoming accountability and election campaign is to tackle, the Politburo deemed it expedient to pass a special resolution for holding a CPSU Central Committee Plenum on this issue. This is the first time that we have taken such a step, but the situation itself dictates it. At the same time, the need arises to amend the instructions on elections. You have the proposals on this score, and you will, of course, express your opinions on them.

I also wish to draw attention to another matter that will naturally arise in the course of the report and election campaign. I refer to the implementation of the conference's proposals on limiting the term in leading party positions to two successive terms. The conference recommended that this rule come into force beginning with the forthcoming accountability and election campaign. What approach should we adopt in this matter?

I believe that the counting of terms should begin with the present elections. The law is not, so to speak, retroactive. This would seem to be quite clear. At the same time, in the course of the accountability and election party meetings and conferences communists may, of course, find that questions arise concerning what to do about comrades who have already held elected positions for a long time. But the party statutes give communists the full right to decide the question of electing or not electing any party worker regardless of his time in a particular job. Here the decisive significance is attached not to how many years' work the leader has done, but to how he copes with his duties and whether he enjoys the trust and support of communists and working people. That is the main criterion which should guide us in forming elected bodies. This must be stated frankly in the Central Committee Plenum resolution.

Another matter that should be determined here at the plenum arises from the fact that the conference came out in favor of forming a CPSU Central Control and Auditing Commission with local authorities. Should we not begin the formation of these bodies from the ground up in the course of these accountability reports and elections? Thus we will not only speed up the process, but we will be able to accumulate initial experience and interpret it before the congress. Another option is also possible: to do it on the eve of the congress. Let us consult.

While speaking of the forthcoming accountability and election campaign and the problems and questions that we have to tackle in the course of it, I would like particularly to touch on the activity of primary party organizations. It is here that the accountability and election campaign in the party begins. But even that is not the main point. The main point is that the primary party organization is now in a new situation, both as a result of the start of restructuring processes in the

economic and social sphere, and of the democratization of the life of the labor collectives and the whole of society. That is only natural. All practical matters are resolved locally, in the labor collectives. Therefore, the party committees must pay due attention to the activity of primary party organizations at the present crucial stage in the life of the party and society. Here there is much that must be reinterpreted to enable us to act in such a way as to exercise the party's functions as political vanguard and take into account both the implementation of economic reform and the widening of the labor collectives' rights.

It is common knowledge that in the course of the debates that preceded the conference and at the conference itself there was much talk of enhancing the role of the party's elected bodies. In this connection I would like to say the following: we must give thought to ensuring that the newly elected party committees begin, on their very first day in office, to implement the ideas put forward by the conference. In particular, we must ensure that all members of elected party agencies continuously take part in the study, interpretation, and discussion of key issues in the life of the party organizations.

Here the path we should take is, clearly, not only to involve the members of party committees in the initial preparation of questions to be discussed at plenums and bureau sessions on a one-time basis, but to make this a regular process, first and foremost by means of setting up appropriate commissions on the most important questions of party activity. I also think that we should adhere to the statutory requirement to brief plenums regularly on the work of the party committee bureaus.

At the conference we agreed to implement within the context of the reform of the political system all the necessary measures to delimit the functions of party committees and state and economic agencies and in this a connection to take practical steps to improve the structure and activity of the party apparatus. In order to discuss the basic principles for implementing this task, the Politburo has prepared draft basic guidelines for the reorganization of the party apparatus. You have these proposals, and during the debate you will obviously express your views and remarks in this regard.

The conference holds that the principle that the party apparatus is strictly subordinate and accountable to elected party bodies be unswervingly observed. The new apparatus must, above all, help them, help the party as a whole, to fully implement the functions of society's political vanguard. That is the essence. Therefore, it is necessary to completely relieve the party apparatus of economic administrative functions, to focus its work on the key directions of domestic and foreign policy, and to shift the emphasis to political methods of leadership. This must be reflected in both the structure and the cadre composition of the apparatus. The apparatus must be highly competent and considerably smaller in size than it

is at present. Naturally, questions of the proper utilization of the released personnel will arise. Trained cadres are concentrated in the party apparatus. Their knowledge and experience must be used most efficiently in the interests of society, while taking account, of course, of the wishes of the released comrades themselves. I don't think that there should be any argument about this.

The formulation of the basic parameters of the structure of the party apparatus could be entrusted to the Politburo, and the resolution of specific structural and staff questions, as Central Committee members have repeatedly proposed, could be devolved to local party organs.

Now a few words about the soviets. The restructuring of their activity is a most important task of the political reform. After the party elections we must hold elections of USSR people's deputies and reorganize the country's supreme state authorities and the power bodies in republics, krais, oblasts, okrugs, cities, rayons, settlements, and rural areas. All this must be accomplished within 1 year.

It is perfectly clear that the implementation of such large-scale tasks is possible only on an appropriate legal base. To this end it is necessary to draft a number of substantial additions and changes to the Constitution and to legislation on elections, to refer them for consideration by this fall's USSR Supreme Soviet session, and to adopt certain other legal acts.

This will require the study of a wide range of questions concerning national interests. The Politburo deems it expedient to create a special Central Committee commission in this connection. Proposals regarding this have been circulated. If you have any remarks, please speak out. I would merely like to ask you to agree to including in the commission, in addition to Central Committee members, the four first secretaries of Union republic communist party central committees who are not currently members of the party Central Committee.

Clearly, the commission must organize its work in such a way that it relies on the opinion of scientists, practical workers, and the public at large. After this we will clearly have to hold a Central Committee Plenum on the eve of the USSR Supreme Soviet session in order to complete the drafting of the proposals to be referred for its consideration.

Without touching on everything that the commission will have to do, I would like to highlight the question of forming the corps of people's deputies, since this is one of the key questions. We must make a whole set of transformations, creating the necessary pre-conditions for this in the law on elections. Their main aim is to ensure real representation of all strata of the people in the soviets and to ensure that people capable of implementing the new functions under conditions of an emphatic increase in the soviets' role are elected as deputies.

Of course, we must abandon regulating the composition of deputies. There must be no restrictions on nominating candidates. Voters should be given the right to have a real choice both at the stage of discussing and nominating the candidates and at the stage of voting. This means that the ballot must, as a rule, list more candidates than there are seats. In fact, the party conference unequivocally advocated such a procedure.

Speaking of the organization of the elections themselves, experience has shown that elections for multiseat electoral districts are best suited to rural, settlement, okrug, rayon, and city soviets. There voters have a better knowledge of their candidates and will be able to make a correct choice when they have a list of them. I think the institution of reserve deputies is also proving its worth.

As for the other local soviets, and for people's deputies of the USSR and of the Union and autonomous republics, clearly it would be advisable to elect them in single-seat districts. But here, too, of course, it is necessary to provide labor collective and social organizations with the opportunity to nominate an unlimited number of candidate deputies. Meetings of the district voters will democratically decide whom to put on the ballot, proceeding, of course, from the premise that a choice of candidates must be ensured in the voting.

Here is another issue. At the conference we agreed that one-third of the total number of USSR people's deputies should be directly elected by social organizations. We think that this principle for organizing the country's supreme authority could be extended, with some amendments, to Union and autonomous republics and accordingly could be enshrined in their constitutions.

The role of territorial electoral commissions is increasing in connection with the great changes in the procedure for electing deputies and the extension of the term of local soviets. Clearly, it is expedient to make these commissions permanent bodies and to expand their powers both in organizing elections and in convening the first congresses and sessions of soviets of people's deputies. This will really signify that the organization of elections has been placed in the hands of the public.

The drafting of electoral laws must be approached creatively, and regional and national features must be taken into account. For instance, if the laws on elections to local soviets differ in some respect in the different republics, this can only enrich our democratic experience, and new opportunities will emerge for the further development of the electoral system.

The legislative acts that are in preparation must provide for the right of deputies to decide questions at sessions by secret ballot and to determine what sources shall be used to remunerate the deputy's work during the period

when he is relieved of his production and official duties. Questions of creating local soviet presidiums and also of electing soviet chairmen need to be enshrined in the Constitution.

It is necessary to provide soviets and their ispolkoms with suitable conditions so that they can properly perform their new functions. It is necessary to create an appropriate material and legal base and to provide a set of incentives inducing the soviets to display a new approach to the performance of their duties. In this connection, an immediate start should clearly be made to preparing a law on local self-management and the local economy, which would strengthen local soviets in their legal, material, and financial respects. There must be only one approach here: everything that can be resolved at the local level must be handled by the local soviet.

The legal reform is closely linked with the democratization of soviets' activity.

We can implement the reorganization of the courts within a short time frame. The preparation of the drafts of appropriate laws on such matters is now being completed.

Matters of great importance include the revision of criminal legislation, the narrowing of the list of offenses in criminal legislation which entail criminal liability, and the broader use of penalties which do not involve deprivation of freedom. It is proposed to publish the drafts of the new criminal laws for nationwide discussion. At the same time work will take place on criminal procedure legislation, correctional labor legislation, and the criminal codes of Union republics.

As for the role of defense attorneys and preliminary investigations, drafts regarding their improvement are now in preparation and will be submitted for discussion in the very near future. There is the possibility before the end of the year, of preparing and adopting laws concerning legal service in the national economy, the expansion of the functions of the arbitration service, and the organization of universal legal education in our country.

Thus, comrades, the following sequence of urgent tasks in the area of state building is emerging:

First, it is necessary to prepare a draft USSR Law on the Election of People's Deputies in the USSR and to submit it for nationwide discussion in early October 1988.

In the second half of November, it is proposed to convene a USSR Supreme Soviet session to which the draft amendments and supplements to the USSR Constitution and the draft Law on Election will be submitted for approval. At the same time, this session could agree to hold elections of USSR people's deputies in March 1989. It would also be expedient for the session to

examine the drafts of the new Foundations of Legislation of the USSR and Union Republics on the Judicial System in the USSR and the Law on the Status of Judges in the USSR.

If you support the idea, comrades, the motion has been made that the CPSU Central Committee, exercising the right to initiate legislation, submit for discussion by the session the question of bodies improving the structure and activity of state power bodies and justice bodies in light of the decisions of the 19th All-Union Party Conference.

I must also immediately mention the questions that could be referred to the first USSR Congress of People's Deputies in April 1989. It will have to elect the USSR Supreme Soviet and the chairman of the USSR Supreme Soviet.

On the submission of the chairman of the Supreme Soviet, approval can then be given to the first deputy chairman of the Supreme Soviet, as well as the chairman of the Council of Ministers, the chairman of the People's Control Committee, and the chairman of the Supreme Court, who will be entrusted with submitting to the USSR Supreme Soviet proposals regarding the membership of their respective agencies. At the same time, the Congress of People's Deputies could appoint the USSR prosecutor general and chief state arbiter and form the Constitutional Oversight Committee.

At the first session of the newly elected USSR Supreme Soviet it will be necessary to form the USSR Council of Ministers and other agencies accountable to the Supreme Soviet. Questions relating to the development of the youth movement in the country, the rights of trade unions, voluntary societies, the press, and a number of other matters were very actively discussed at the party conference. In this connection it is necessary to act in such a way as to ensure that right from the very first steps in the activity of the country's supreme legislative, executive and control bodies these most important political, legislative, and legal questions are kept within its field of vision.

Comrades! The fact that our state is multinational imparts a special nature and a complexion and identity of its own to the political reform. As is well known, there is no such thing as a problem that is solved once and for all. This applies especially to the nationalities problem.

It is hardly necessary to prove that the nature of the development of national relations is of paramount importance to our union state and that the nationalities policy is for our Communist Party and the Soviet state a most complex and, at the same time, an important and necessary policy. This is natural, for economic, social, and spiritual problems are bound tightly together in this policy.

As we know, the conference supported the Politburo's proposal on holding a Central Committee Plenum on questions of national relations. Serious preparations must be made for this, with the extensive involvement of the public, scientific circles, and representatives of the republics. Ideas and proposals must be gathered.

What should we say by way of a preliminary, under the influence of the repeated discussion of these problems in the Politburo and at the recent USSR Supreme Soviet Presidium session? First, a few words about the reasons for the present complication of interethnic relations in a number of regions of the country.

First among these reasons are certainly the consequences of the many years of inattention to the specific socioeconomic and spiritual demands of the many nations and ethnic groups making up our country.

Another equally important reason is the insufficiently effective control on the part of the masses over the activity of leading cadres, as a result of which certain leading personnel lost a sense of responsibility for their assignments and, what is more, embarked on the road of abusing power, showing contempt toward people and disregarding their needs and interests.

There is yet another reason. I refer to the active reaction of corrupt groups to restructuring. It must frankly be said that in a number of places they have managed to channel natural national feelings into a destructive nationalist channel. This is no accident, of course. Nationalist passions suit all anti-restructuring forces. By inflaming interethnic conflicts, they are trying to distract public opinion and to duck responsibility for their actions during the years of stagnation. I am convinced that our people, who have accumulated tremendous international experience, will not allow anyone to encroach on the unity of our union and the friendship and fraternity among people of all nationalities in our motherland.

We must also consider improving Soviet legislation on these questions. In particular, increasing liability for inflaming national strife and preaching racial or national exclusiveness. This follows directly from Article 36 of the USSR Constitution.

There is no need to mention how attentive we must be to the development of native languages and national cultures, the conservation of nature and historical monuments, and everything that determines the identity of each nation and ethnic group and its unique contribution to the common treasury of Soviet culture, which is characterized by multifacetedness and the diversity of national hues. In short, we must view any question, no matter where it may arise, in the interrelated context of all-Union life and examine it from broad party and state positions.

What is primarily required now? Paramount importance must be attached to the elaboration and implementation of large-scale measures to further develop and strengthen our Union.

Proposals on delimiting the competence of the USSR and the Union republics and devolving a number of management functions to the republics must be prepared. It is necessary to determine the optimal choices for the possible conversion of republics and regions to the principles of cost accounting and for the development of direct ties between them, with their contribution to resolving all-Union programs being precisely concretized.

At the same time it is necessary to undertake the updating of legislation on Union and autonomous republics, autonomous oblasts, and okrugs. It is also a question of expanding legal guarantees in implementing the national and cultural demands of nationalities living outside their own state territorial formations or not having such formations.

The new functions of the USSR Supreme Soviet Soviet of Nationalities and the procedure for forming, if necessary, standing commissions on questions of interethnic relations in soviets at all levels need to be clearly defined.

Taking into account the particular gravity of problems of language policy, it would clearly be worth preparing and submitting for board discussion a draft Union law on the free development and equal utilization of languages of the USSR peoples.

Today we must also reaffirm that membership of the Communist Party is incompatible with nationalism and chauvinism. V.I. Lenin created the bolshevik party as a party internationalist in spirit, program, and national makeup. There can be no justification for a nationalist who has adopted positions of chauvinism or nationalism. This is essentially a deviation from one of the party's most important political principles. Every communist must remember this.

## II.

Comrades! As you know, the discussion of problems such as food, housing, and supporting the population with goods and services assumed particular gravity at the conference. Furthermore, the delegates were very severe in their assessments. This is understandable, for the solution of the most important issues determining the level of the people's well-being has been very much protracted and the lag here became chronic.

I shall dwell primarily on the food question. The Politburo considers that urgent and radical measures are needed here of both current and long-term nature.

In this years specific situation, when many regions of the Volga, Urals, Siberia, and Kazakhstan have been subjected to drought, the purpose of such measures is not just to maintain their level of food supplies, but also to ensure their improvement. This is both essential and realistic. First, the situation has rectified itself somewhat in recent weeks. Second—and perhaps this is the most important point—the work at the local level is now geared to harvesting and preserving in full the crops that have been grown and to making rational use of this harvest. In saying this, I have in mind both food and fodder crops.

This, I would say, is the center of gravity for the entire work of this year. Much work still lies ahead, and it must be conducted in an organized fashion. I think that not only the rural workers but also city workers realize very well the situation that has developed and, as we can see, they are really doing everything they can to prevent a deterioration of the situation on the food front. Finally, if need be, we will also use external sources to replenish the country's food resources.

All such work must be done persistently and consistently, tackling practical questions step by step. It is obviously worth stressing once again that the food question is a fundamental sociopolitical issue and any failure completely to understand its fundamental importance must be excluded.

Now let us turn to long-term tasks in solving the food problem. The Politburo's considerations on this score have been presented to you. What are they?

First, the study of these questions show that we have real opportunities to arrive by the end of the current 5-year plan period at the level of per capita consumption envisaged in the Food Program and rational norms of nutrition as regards such basic products as bread and baked goods, pasta, confectionery, groats, potatoes and vegetables, vegetable oil and butter, whole milk products, eggs and poultry. It will not be possible to achieve this for meat and fruit in the current 5-year plan. But even here it is possible to rectify the situation to a considerable degree.

These conclusions are based on a preliminary study of the whole package of issues with Union and autonomous republics, krais, and oblasts. I do not want to repeat all that is included in the proposals which have been distributed to you. But I think it is necessary to cite some of the most important figures. In particular, it is a question of increasing procurements by the year 1990 as against the 5-year plan targets as follows: livestock and poultry by 2.5 million tons; milk by 4.3 million tones.

Here let us stress that all of these products—as above-plan output—remain at the disposal of the republics, krais, and oblasts themselves. It is not, of course, an easy

task to ensure the scheduled growth rates; it is a task which requires intelligent and persistent work, but the vested interest of everyone in the solution of this task is also obvious.

Our greatest reserve is the struggle against losses and for the complete preservation and high quality processing of the harvest and the livestock farms' output. This is the shortest path to improving the food supply in the immediate future. The solution of this issue will help us to increase food resources by at least 15-20 percent. This will require far less time and expenditure than for increasing the volume of output. Investment in eliminating losses and in processing is the most advantageous and the most efficient. This problem needs to be taken up by the entire society.

Second, the situation is such that in recent 5-year plans we invested enormous sums in agriculture but the return from this investment was insignificant.

Over the last 17 years, comrades, the volume of capital investment channeled into the development of agriculture has totaled 680 billion rubles. The average annual value of the sector's fixed productive capital in the period 1986-1987 was greater by a factor of 2.7 than in the period 1971-1975; the index of power availability for labor was twice as high, and the capital-labor ratio was more than triple. Deliveries of mineral fertilizers last year increased by a factor of 2.6 in comparison with 1970, and amounted to 122 kilograms per hectare of arable land. This is by no means everything that was given to agriculture. But over these 17 years its gross output increased by only 25 percent, grain production increased by a mere 16 percent, cotton production by 6 percent, and sugar beet by 12 percent, while potato production even declined by 9 percent.

In some areas the situation is even worse. The return on capital investments in agriculture is very low in Uzbekistan, Tadzhikistan, Kirghizia, and Turkmenia, while in Pskov and Novgorod Oblasts over the 17 years gross agricultural output has declined 12-25 percent even though the capital availability tripled or quadrupled. The point is that it is not just a matter of the unfavorable conditions of the non-Chernozem zone, where great difficulties have existed throughout history. Consider such oblasts as Kirovograd, Chernigov, and Vinnitsa. Here, though capital has increased 100-150 percent, gross output has essentially not increased at all. Moreover, in these oblasts the gross harvests of sugar beets, sunflowers, and potatoes have declined, and the increase in meat and milk production has been insignificant.

We are bound to be disturbed by the alarming processes taking place in the country's agriculture. What are the reasons for such phenomena? We must, comrades, find the kind of response to this question which will expose the essence of the problem.

Of course, each region and each farm has its own specific problems and these have their specific causes. But there is one reason in common, and I would say that it is the main reason for the fact that capital investments channeled into agriculture, into the agrarian sector, are not yielding adequate returns, are being utilized inefficiently, and in many instances are simply becoming frozen. This reason is that practical steps to strengthen the countryside's material base are not simultaneously being backed up by corresponding work to change economic relations in the countryside.

Today, comrades, we must state this most definitely at the Central Committee Plenum, because it is a question of drawing up the main guidelines for agrarian policy and practical actions related to it.

Finally, let us say bluntly that so far the majority of our cadres and agricultural managers have been linking a further buildup of the production of output primarily to additional investments, new deliveries of resources, and so forth, and have failed to see any other way. But, after all, we do have hundreds, thousands of kolkhozes and sovkhozes which, under the same conditions and essentially with the same availability of resources, are achieving outstanding production and economic results.

Just you look and see what people working according to a family contract or lease contract are doing. They are attaining incomparably higher indicators with the same or even an inferior material base.

This very day I read in SELSKAYA ZHIZN a report about the work of lease contractors in Stavropol Kray. The place in question was the Balkovskiy Sovkhoz in Georgiyevskiy Rayon. I know that sovkhoz. It is a difficult farm with a constant manpower shortage. The use of the lease method has made it possible to rectify the situation. And it turns out that less equipment is needed, although the results are better. They get the kind of harvests they never got before. People's attitude to the matter is changing, and that is the main thing. The sovkhoz director calculated that if lease relations are developed, instead of the 90 machine operators now employed on gathering the harvest, only 50 would be needed. This means that the cadres problem, too, about which there is so much talk today, is also being resolved.

A lot has already been said about lease relationships; much is being written about them and there are plenty of facts on this score. Furthermore, such experience is now also available in all areas, in all zones of the country, and in all branches of the agrarian sector. It is yielding results everywhere.

Surely this experience indicates that the key to success lies in the changed attitude of the people to labor. But this can only be achieved by radically changing economic relations in the countryside. Our task is to restructure

them in such a way that the peasant really does become the master of the land and can properly apply all his energy, knowledge, and abilities here.

The essence of the transformations is to put to practical use the most diverse forms of socialist ownership. We will be able to resolve this task on the basis of the ubiquitous and widespread use of full cost accounting and self-recovery, contracts and leases, the alteration in this connection of intra-production ties within the kolkhozes and sovkhozes, the development of various forms of cooperative activity, the creation of family livestock farms and other production facilities operating on the basis of the long-term lease of land, the development of agroindustrial combines, agrofirms, and all kinds of incentives for the private plots.

In a nutshell, we must provide wide opportunities for independence, and responsibility for producers, and comprehensively develop agricultural markets.

Let no one among us be embarrassed by the fact that the means of production remain at the disposal of the peasant for his long-term use, on the basis of a contract with the farm. There is nothing nonsocialist about that. This is very real socialism, because it brings man to the forefront. Socialism above all must put an end to the alienation of man from the means of production, from politics, and from the achievements of culture.

We should not limit ourselves to the introduction of cost accounting at the level of the kolkhoz or sovkhoz. It needs to be given its second wind through the lease. A person must be given an opportunity to develop his talent as a master and to work on the land in the way that he thinks fit. And he knows better than you and I how this must be done. Let that not bother you. On this path we will not tolerate defeat; on the contrary, we will achieve victory. It is essential that contract and especially lease forms of farming should become widespread throughout the country.

These questions are so important for us now and for all subsequent stages of the improvement of economic relations in the countryside that I evidently need to say something further. From conversions with the leaders of oblast and kray party organizations and from on-site study of the situation, it appears that by no means all those who have to be the inspirers of this matter have a precise idea themselves about the essence of the issue.

Since 1983 we have been doing work on a broad scale for the conversion of kolkhozes and sovkhozes to various forms of collective contracting with wages based on end results. Life has shown that this is an efficient way of farming.

But at the same time, as I have already said, practice also suggests that the most radical forms of economic activity are now those which are based on the leasing of land and on the other means of production for long-term use with

the lessees enjoying full economic independence. Incidentally, leases were widely used in our country until the mid-thirties, but then they were abolished. Under a lease, a person becomes the genuine master of the land and has a vested interest in seeing that the land and other means of production which he leases are used as efficiently as possible and yield the highest return.

And look what is being done in industry, comrades. Poorly operating shops and plants are being leased to people, and the first thing they are doing is reducing the number of workers by a third and the leadership component by between a half and two-thirds. They are really getting down to business, and are resurrecting enterprises in 7 or 8 months, or a year at the most. And our workers are thinking along state lines. They are by no means simply money grubbing. They are thinking not only about their earnings but also about how to develop production, how to form production funds in order to build up production and upgrade its technical standard. There is nothing surprising in such an approach: this is our own Soviet person, he was born in Soviet times and has been reared under the Soviet system!

Leasing relations permit the fuller realization of the potential of socialist ownership. With their help we can guarantee the interests of society and incentives for highly productive and efficient labor. And not only, I repeat, incentives of a material nature. The individual acquires the opportunity to reveal and apply his own abilities in work, to bring his creative potential to light, to prove himself. This brings him tremendous satisfaction.

In general, we have made a start on profound transformations, and if they are to be accomplished consistently and bear fruit, we need extensive, comprehensive, and competent work, knowledge, and an understanding of the essence of the economic relationships emerging in the countryside.

Clearly, we cannot do without the passing of a special law on leasing. Why must we do this? Because we still have many working people of different standards, people who do nothing to move things forward but who stubbornly block the initiative, opinions, and proprietary interests of others. A law must guarantee all those who so wish the opportunity to work in the new conditions and give them confidence in the state's protection. A lease should, evidently, be a long-term matter and be granted for, say, 25-30 or even 50 years. In general, the question must be put as follows: no one has the right to prevent people from working under lease conditions.

We must tackle the liquidation of inefficient farms more boldly, and transfer their lands and other means of production, on a competitive basis, to those kolkhozes, sovkhozes and industrial enterprises and those collective or individual lessees capable of ensuring management with high return. It will probably be necessary to pass a new law on land utilization as well.

Insofar as we are not running up against the conservative positions of kolkhoz and sovkhoz leaders and specialists and leading workers of other levels, we see the primary task of party committees as creating a businesslike atmosphere and the necessary conditions to eliminate those impediments. We cannot manage without sound ideological and organizational work by the party organizations or without the assistance of the trade unions and the Komsomol.

Comrades, let us come to an agreement at our plenum today: we will no longer tolerate idle talk about these issues. Life has everywhere confirmed the effectiveness of the new forms of production relations in the countryside, and of the new approaches to the organization of and incentives for agricultural labor. We must eliminate all barriers in the way of their universal application. This is a nationwide task. Its solution is not simply a wish but a demand dictated by the very logic of our development at the state of restructuring.

While resolutely expressing our support for the transformation of economic relations in the countryside, we must emphasize from the very start that this work demands the greatest responsibility. We must exclude all extremes by learning the lessons of our past. Both sluggishness and an artificial forcing of the pace, running ahead of ourselves, are impermissible in this important area. The main thing is that in resolving these issues we must proceed from life itself. We must be guided by common sense, and we must consult with people and make use of the huge experience we already have.

And one more thing. We are also talking about the radical restructuring of interfarm relations and management. We have already admitted once that the present system of management of the agroindustrial complex has not had any special effect and is becoming obsolete; it is not worth holding on to. We must effect a broad switch to the voluntary creation by kolkhozes and sovkhozes of joint management bodies to replace the rayon agroindustrial associations, and move to cooperative forms of production-technical and economic services for farms. Moreover, these principles are worth extending to the higher levels of management of the agroindustrial complex as well. We should not delay in reorganizing the agroindustrial complex. We must finally sever all these channels or threads through which commands are issued from above.

I read a letter in SOVETSKAYA ROSSIYA from a group of Gorkiy Oblast kolkhoz chairmen. They complained that the kolkhozes were obliged to support the entire structure of higher management out of their own incomes, and to deduct for its upkeep 15 percent of net profit and 10 percent of the amortization sum. What good is this? Who needs this apparatus? And the main thing is that this same V.A. Starodubtsev and the other farm leaders have demonstrated that this apparatus can and must be reduced several times over.



Finally, comrades, as you know, the conference delegates were resolutely in favor of allocating the necessary resources for the social development of the countryside, given the limitation of capital investment in other areas. Essentially, what we need is a nationwide program for the construction in the countryside of houses, schools, hospitals, roads, and municipal and consumer services, communications, and trade facilities—generally speaking, everything today's individual needs to live and work normally. As of now we must step up the pace of the countryside's social development. This is now being done in many oblasts republics. And—this goes without saying—to this end we must decisively change the thrust of the 13th 5-Year Plan's capital investments. Such is our political directive to planning organizations and the government.

And again, comrades, just 2 days ago I was chatting with V.P. Demidenko. How has the situation in Kustanay Oblast, in terms of providing the population with agricultural products, progressed and changed? Naturally, the kolkhozes and sovkhozes have made the decisive contribution. But the switch to contract principles, and to new incentives for private plots, has also been of great significance. With them, there are 250 head of cattle to every 100 farmsteads.

But all this, comrades, requires work with the people; it requires reserves in the feed base. It is then that such opportunities arise. Good experience in the integration of private plots with kolkhozes and sovkhozes on a contractual basis has been gained in Belorussia and the Baltic republics. This too is socialism! Has this truly been incomprehensible to some people so far?

Generally speaking, comrades, returning to the whole set of problems I have discussed, we have at today's plenum approached the formulation of a realistic political guideline for the entire country—how to tackle the solution of the food question. I ask you to speak your mind on these issues.

Now as to suggestions on accelerating the increase in goods and services for the population. The main path here is clear. It is the creation of a powerful consumer goods industry as quickly as possible. The appropriate decisions on light industry have already been made. They must be implemented more rapidly, incorporating to this effect the essential economic mechanism for ensuring the vested interest of all labor collectives in increasing the production of goods for the people.

It is now a question of additional measures to quicken the modernization of many light and food industry enterprises by importing equipment, and also of the broader participation of heavy industry and the defense sectors in the production of consumer goods. A considerable acceleration is planned in the paid services area.

The investigation of these issues with the participation of ministries and departments and republic and local authorities has shown that there is a real opportunity in 1989-90 to increase the production of durable consumer goods by 24 billion rubles in excess of the 5-year plan targets—by 9 billion rubles in 1989 and by 15 billion rubles in 1990.

You have also been presented with proposals on measures for the radical improvement of paid services for the population. It is important to emphasize that during this 5-year plan their volume will grow by 15-20 percent a year compared to the projections in the comprehensive program. In 1990 this volume will be more than 70 billion rubles, and by the end of the 13th 5-Year Plan it will have increased by 60 percent and will exceed 119 billion rubles.

These are large-scale measures, and they will require appropriate work both in the center and in the localities. But, while resolving the task of building up the consumer goods and paid services industries, we must also thoroughly tackle the improvement of the entire system of distribution, with emphasis on trade and public catering.

I mention this because the well-being of the working people and their moral and political demeanor depend not only on the quantity and quality of the material benefits and services produced—naturally, this is of decisive importance—but also on how we distribute them, and how trade and the service sector are organized.

Many of this sector's shortcomings are related to the backwardness, and in many cases with the neglect of its material base, which requires comprehensive expansion and its enhancement to a modern technical standard. Such proposals have been formulated and submitted for your examination.

However, we can and must do a great deal, a very great deal, comrades, without delay; we must declare a resolute struggle against the unhealthy phenomena and processes that have become deeply ingrained here. It is a question, for instance, of preventing interruptions in the trade in goods that are in sufficient supply in the country. Hearing about the disappearance from the trade network—now here, now there—of salt, sugar, flour, and many other things which are not in short supply, you begin to think that there must be some people with an interest in preserving the shortages, or at least people who are completely devoid of a sense of public responsibility. All these questions must be placed under the supervision of party and soviet authorities, under the supervision of the working people.

Or take such a widespread phenomenon as waiting in line. There are lines everywhere, in trade, in the service sector, in transport, at municipal economy enterprises, in health care, and in organizations and establishments that deal with the various requests of the working people.

The problem has become so acute that we must attend to it in earnest and establish proper order. It is scandalous for many leading officials to calmly look on as the people wait in lines and to think there is no need for action to eliminate those lines. After all, this is nothing but a disrespectful and callous attitude toward the people.

For instance, Comrade L.N. Zaykov and I recently toured two factories of the Moscow "Zarya" Footwear Industrial and Trade Association. I came away from that visit with a good impression. I was greatly satisfied to see how people think, how they act, and how they discuss questions that are truly of national importance.

But then I talked to one of the female workers. Both she and her husband make good money. They have two children. Everything would appear to be fine—they have an apartment and good wages. So what is her problem? She replies: "Every day, Mikhail Sergeyevich, I have to spend 2, and sometimes 3 hours waiting in lines at stores. It is very tiring. I do not get so tired at work as I do waiting in line."

And that, comrades, is in Moscow where, for all that, one can buy anything. But even here people have to wait in endless lines. In one and the same store you have to wait in line first at one cash point and then another, and then back at the counter. People have to wait in line for hours after work to buy basic things that are available. How can we tolerate this?

All these problems, comrades, are problems that concern the soviets. And if a soviet leader does not see this, does not know how people feel about this, then we should not keep him in a leading position.

I want to say once again, comrades, that we must attend to the solution of these pressing problems without delay and in a businesslike fashion. Of course, there are also questions connected with the need to improve both the location and material and technical equipment of trade and service enterprises. The backwardness that has been let to accumulate here is great.

How should we approach the solution of this problem?

The first thing that comes to mind is to ask for money and contracts to build trade and service enterprises. Obviously, our plans must also take this into account. In view of the laggardness in this sector, the draft of our resolution on this question makes provision, among other things, for expanding new construction. However, if we chose only this path, the solution of problems, especially those which brook no delay, will drag on for many years. Yet, we must find a way to improve the situation in the very near future.

The Central Committee and the government are currently receiving requests for selected premises to be used to expand the trade and consumer service area. We

resolutely support this. The Politburo and the government have stated their views on this unequivocally. We favor the handing over for this purpose of administrative buildings of various economic and also party and state institutions currently under construction, unless there is an absolute need for them.

I had a talk recently with writer V.P. Astafyev. we discussed how people live in Krasnoyarsk. The number of problems that have accumulated there! The problems affecting medical care are particularly grave; there are not enough maternity hospitals. Meanwhile, a huge sports complex is being built in the city. Of course, it, too, is needed. However, there are problems that will stand no delay and their solution must be given priority. The kraykom had a pretty good building in the city, but they built another one. Now the correct decision has been made to hand it over for services to the population.

In general, comrades, we must be more resolute in ridding ourselves of all kinds of offices, reducing their number, and turning them over to accommodate trade and service enterprises and medical facilities. This is one side of the matter, so to speak. There is also another side that is no less important—the utilization of the funds that have been allocated for the development of this sector. Let us agree that whatever has been allocated must be used.

The party bodies must take this under their supervision. What has happened is that in the course of our work, we have involved ourselves in many economic matters, while sometimes ignoring questions that relate to the people's life as such. Yet our aim is to ensure that people live better and feel fine. Therefore, the main purpose of restructuring the work of party agencies lies in ensuring that they attend to genuine party matters, to political, organizational, and ideological work and get closer to the people. Life itself is simply clamoring for this. This is the main argument for the need to restructure, comrades.

The strength of restructuring lies precisely in the fact that it has exposed all these questions and created conditions for people to express their criticism, proposals, and assessments of the situation. Restructuring has created real opportunities for people to call to account those without a clear conscience and those who occupy leading positions by mistake.

Comrades, after all, what we are talking about are problems that can be resolved. They do not require the formulation of long-term programs or scientific studies. A great deal can be done here by relying on local resources and local initiative, and above all on establishing order and constantly keeping these questions in the field of vision.

I believe this discussion will not be in vain. We must all draw serious lessons from this and put things right.

Another question that demands great attention is the development of the construction industry's base. This was noted in the delegates' speeches. Having expanded the construction of housing and other social projects, we have encountered problems in the procurement of construction materials, machinery, equipment, and so on. This question has been examined. Additional measures have been drawn up to achieve a considerable expansion in the production of construction materials. All this demands great effort and attention.

All the steps we are proposing, comrades, are in keeping with the directives of the conference which recommended that the next 5-year plan, the 13th, be drafted with a view to stepping up the social thrust of our economy. Essentially, we can note even now that our work has been given a new impetus in this direction.

Comrades! We all witnessed the heated discussion that flared up at the conference on problems of the radical economic reform. What conclusions have we drawn from it?

First of all—basically and in the main—the avenues of economic reform that were chosen are correct. Moreover, it was reaffirmed yet again that the success of socioeconomic transformations can be achieved only through the consistent implementation and intensification of reform. In general, reform as such was not questioned by anyone, although the progress of its implementation was sharply criticized.

The conference also confirmed something else: reform is opposed by the forces of inertia and conservatism, which would like to surreptitiously bring it to a halt. For this purpose, they are making use of even the slightest opportunity, wavering, and mistakes that may arise in its path. I believe we can agree with the delegates' proposal on this question: such people—those who stand in the way of reform—must be removed from leading work.

What must we do to accelerate the course of the economic reform? The Politburo has examined the government's conclusions on this question and the range of proposals connected with this.

First, we must, above all, resolutely overcome attempts to distort the essence of the new ways and means of management and to cut short intentions to return the economic mechanism to the old rut.

This applies in particular to the question of the state order, which was so heatedly discussed at the conference in connection with the fact that, in practice, it has become a covert form of directive planning of the volume of production. The government's proposals in this area amount to a substantial reduction of the share of state orders in the overall volume of output and the concentration of the right to issue state orders in the hands of the Gosplan rather than sectorial ministries.

It is proposed to introduce a temporary provision on the state order for the next 2 years. The USSR Council of Ministers Presidium has discussed this question, with the participation of a large group of economic experts and scientists. A serious discussion was held, and they concluded that a temporary provision on state orders must be introduced, as the transition period demands precisely this approach. This is in view of the fact that the full embodiment of the idea of the state order can be implemented only in connection with the conversion to wholesale trade in means of production and a reform of the price setting system. There is no shortcut here, so to speak.

Second, enterprises in all sectors must convert to full cost accounting, and the formation of the new economic mechanism must be completed. It should be stressed that the new economic mechanism can begin working at full capacity only on the basis of new price relations, given the organization of an efficiently operating socialist market, the normalizing of finances, the creation of a ramified and effective banking system, and the introduction of wholesale trade. In addition, of course, it presupposes a corresponding reorganization of the managerial structure and a restructuring of the system of foreign economic relations.

At this point, I would like to emphasize the importance of the financial normalization of the national economy and the strengthening of the money supply. In preparing next year's plan and budget we should begin by reducing the budget deficit. To do so, we must carefully examine capital construction plans, seek to replace budget financing with bank credit on a broad scale, and resolutely cut other nonproduction expenditures. In short, it is important to learn to live within our means. In the initial period we could even reduce the volume of capital investment, and make up for it by drastically reducing the number of newly started and uncompleted construction projects.

As for the weak enterprises that are now sustained by ministerial crumbs, we could make wide use of granting loans on specific terms and, where necessary, reorganize, and, in extreme cases, eliminate such enterprises and turn them over to labor collectives or cooperatives on lease. We should not be afraid of this.

The normalization of the economy should also be promoted by restructuring the work of banks, their conversion to full cost accounting, and the development of a network of commercial banks.

Third, the conference discussed with interest the question of restructuring the managerial apparatus, with special emphasis on the role of ministries in the new system of economic management. This may be the most crucial avenue today in the reconstruction of the management system. We must make a well-considered approach to the resolution of this question, making use

of experience and the new functions both of management bodies and of enterprises, which should be subordinated first and foremost to the laws and rules of economic behavior laid down therein.

We must be frank in saying that the speed with which managerial bodies find their place under the new conditions and how successfully they master the new methods of economic management and build their relations with enterprises in the new way will be decisive in determining the prestige both of the management bodies themselves and of the cadres in the apparatus. A clear position was formulated at the conference—we cannot do without an up-to-date, competent, highly professional management apparatus. Nonetheless, this apparatus should resolutely restructure its work in light of the demands of radical economic reform and the new role of labor collectives.

Fourth, with the reform of the political system, the task of restructuring relations between enterprises and soviets arises. That is the right way to put the question. Essentially, it is a matter of laying an economic base for self-management in the form of that part of social property that is allocated to local authorities, including municipal services, the service system, the housing stock, urban transportation, and so forth.

This should not be taken to mean that instead of Union ministries, republics and local agencies will now command the enterprises. That would be a naive substitution of one system of command for another. All enterprises and associations have the right and duty to work for a single countrywide market, and to base their relations with one another on the equivalent exchange of output. As for their relations with local bodies, these should be backed up by appropriate legal standards and economic rates.

We must make full use of the advantages of the territorial division of labor within the framework of the integrated national economic complex, and at the same time, through the growth of budget revenue, ensure that republics and local bodies have an interest in increasing the efficiency of the regional economy.

Fifth, it is proposed to grant labor collectives the right to autonomously choose one form or another of cost accounting and to step up interest in the use of its second model. That will mean renouncing the setting from above of rules for the formation of the wage fund and the distribution of profit. Relations within the production unit will be based on the distribution and utilization of income under cost accounting, while relations between the state and the enterprises will be governed by tax rates combined with the system of state privileges. That would be highly desirable, comrades.

While examining the problems of economic reform, I would like to mention leases once again. Such relations, while preserving both state and cooperative ownership,

make it possible to overcome the feeling that "no one" owns things, so to speak, ensure the true economic autonomy and responsibility of workers and labor collectives and will guarantee a direct link between people's wages and the end results of their work. It is of fundamental importance that the lease contract leave no room for command methods of management, since relations of subordination are converted into contractual, mutually responsible relations of partnership. Therefore, the law on leasing which I have already discussed should be an act that applies to all sectors of the national economy.

We must remove all obstacles to the spread of lease relations and rapidly solve the necessary legal questions, including that of the length of lease. I have already spoken of this, but I will stress once again: Short leases will not stimulate investments in the development and modernization of production, and could even generate self-seeking feelings. That is obvious. We also need firm lease payment rates, taking into account the interests of both the budget and the labor collectives.

In conclusion, comrades, I would like to touch on a few more issues that differ in their content but are, I believe, important for our work.

The first is science. The conference urgently raised the question of its development, noting that in a number of areas of fundamental significance we lag behind both the world standard of scientific development and the requirements of our society and national economy. One cannot but agree with this, comrades, which makes it incumbent upon us to pay very close attention to the implementation of the assessment and demands of the conference.

I think that the leaders of the USSR Academy of Sciences must once again return to its programs for the development of basic research and other avenues in the development of the country's science. Without active assistance from science we cannot cope with the tasks of restructuring.

State bodies, in turn, especially the USSR Gosplan and USSR State Committee for Science and Technology, must examine ways to radically improve the material base of science and revise structural and investment policy so as to ensure the creation of favorable conditions for the development of its priority areas. We have already solved many problems and we must speed up the drafting of decisions on the others.

The social sciences require special attention. We all felt concern about and dissatisfaction with their present state, expressed at the party conference. It should be said once again that it is not only a question of science itself. To a significant degree, the present situation is a result of past attitudes toward the social sciences. Nevertheless, we must say that restructuring in this area lags behind the requirements of the times and the actual practice of restructuring. That cannot but cause us concern.

We must be frank in noting that today, many of our major scientific centers are satisfied with the role of commentators and critics, and yet fail to offer enough in the way of in-depth studies of contemporary problems posed by restructuring itself. To a significant degree, the solution of those problems will determine both the course and the success of restructuring and its results.

I must also share this impression with you: some of our scientists remain, I would say, where they were at the start of restructuring. They have not noticed that restructuring has already gone beyond the stage of rallies and has embarked on the profound transformation of every sector of Soviet social life. That requires profound scientific analysis, the study of the essence of phenomena, and the interpretation of current processes. To me, this would appear to be what our social scientists lack.

The second question is the ecology. The poor situation in this area received a great deal of attention at the conference. Society is profoundly aware of the gravity and urgency of this problem, and the public feels that radical changes are needed in our approaches here.

I would like to divide this question into two parts. Some matters do not require enormous capital expenditure and resources. Here it is a matter of organizing work properly and implementing the measures and programs that have already been drawn up. These urgent and specific questions must be solved with the participation of the relevant central departments and local bodies. They should be examined and tackled promptly.

Other questions involve the discovery and use of major appropriations and corresponding changes in equipment and techniques. In general, these are long-term questions. All this, comrades, must be considered while drawing up a long-term state program for environmental protection and the rational utilization of the USSR's natural resources. This work is already being done as part of the drafting of the 13th 5-Year Plan and for the longer term through the year 2005. It is in the context of this work that all the proposals put forward at the conference should be examined.

The third question is that of party policy toward young people. This was discussed in principle at the conference. The task is to transfer everything to practical work. I think we should now set about preparing for a Central Committee plenum on these questions. Major work is required here. We cannot confine ourselves solely to examining superficial problems. We need a long-term policy based on profound analysis and oriented toward the resolution of one of our society's vital tasks—the preparation of worthy successors.

Another thing, comrades. The conference itself and the debate that took place there showed how important it is to continue the work we have been doing all the time since April in the area of ideology. That is correct for,

having begun tasks on a historical scale, we cannot successfully fulfill them without interpreting the past and present and predicting the main trends for society's future development.

Our awareness of the full depth of Lenin's thinking on the significance of revolutionary theory is now particularly clear. We may say it frankly: what we have managed to do in the area of policy and practical work in this period, a short period in historical terms, and the fact that at this crucial historical stage the party is, on the whole, fulfilling the role of political vanguard and generator of ideas and moving forward in the main—we could not have achieved all this had we not concerned ourselves constantly and consistently with questions of theory and ideology.

Nevertheless, the conference once again showed forcefully that in the area of ideology, there can be no slackening of the pace; even less can we fall behind. We must not confine ourselves to improvisations, isolated campaigns, and the resolution of partial problems of out context of the fundamental goals of restructuring. It is not only hitches and blunders in economic and social policy, but also backwardness, let alone errors, on the theoretical and ideological front that could cause problems and do irreversible damage to our revolutionary cause. That is why we must extend the front of theoretical research still further, and intensify ideological work in every direction.

Comrades, the potential of our party and society for resolving theoretical problems is truly enormous. Today's moral and political climate creates all the proper conditions for an active creative process in every avenue of social thinking, which has a direct influence on the shaping of public awareness.

But the party—here at the Central Committee Plenum we must admit this self-critically—has yet to truly make use of all this potential. It has yet to set it in motion or channel it in the direction of restructuring. What is stopping us, comrades?

Of course, the development of theory and social thinking, the renewal of ideology, and the shaping of a new consciousness is a very complex, multifaceted and contradictory process. It takes time and effort. But it cannot proceed spontaneously. It must be constantly directed on the basis of collective work, through creative debates, through the quest for new ideas, the comparison of views, and the struggle of opinions.

Party organizations must recognize the full scale and complexity of this task; oversimplification is impermissible here. We cannot expect everything to proceed by itself, of its own accord, so to speak. Our work in this area must be stepped up resolutely, and on the broadest

possible front. We need debates, seminars, conferences, publications—in a word, the most diverse forms of scientific activity, forms capable of stimulating creative thought.

Naturally, we need energetic ideological activity to translate into practice the achievements that already exist in theory and policy at the present stage of restructuring. We must do purposeful and intelligent work designed to guarantee that the ideas of restructuring take possession of the masses ever more widely and that theory becomes a truly material force in restructuring.

I would also like to say this, comrades: it has been claimed that we have too many debates. Let me say unequivocally: we need debates—serious, creative discussions of every urgent problem. This is the only way we can form an active public opinion and popular consciousness, without which the resolution of the great tasks of transforming society is inconceivable.

We should not fear the novelty of our times or the processes of life. Perhaps we are just beginning to actually grasp that restructuring is a truly revolutionary, transforming process. Moreover, I am sure, comrades, that the novelty of our progress will continue to present us with surprises and other things we do not expect. As such, what will we do—get into a panic, and rush to produce assessments and conclusions? No, comrades, we must make a profound study of life as it really is, show restraint and, on the basis of detailed analysis, ultimately make correct and considered decisions in the interests of our society and socialism.

I am in favor of considered in-depth and consistent work in this direction. We must, as the party of Lenin, as a powerful political organism, put all our intellectual potential into action and move forward in theoretical questions step-by-step, enriching policy and practice. Then, in turn, we must draw new experience, open the way for further activity, and consistently pursue the political course worked out by the CPSU.

We must truly grasp the fact that the old yardsticks are inappropriate for the new phenomena. Most importantly, during the struggle for restructuring we must not lose sight of the main directions, be distracted by detail, and waste energy on trivia. Some costs are inevitable in a new task; they cannot be avoided. However, our own experience has already shown that only decisive and real progress on the path of revolutionary transformation can remove those problems that only yesterday seemed insoluble and even threatening.

Of course, all this requires that we do intellectual work, engage in creative activity, and pay constant attention to the entire range of phenomena to which restructuring gives rise each day. Everyone should understand this, and time must be found for it. After all, without this

work, backwardness is inevitable and life could outstrip us. We simply do not have the right to permit this if we truly want to be the political vanguard in our revolutionary times.

These are some considerations on the implementation of the conference decisions. Let us discuss the proposals submitted for examination at the plenum.

In general, as you see, our program of work is intensive. It stems from the urgent demands of the intensification of restructuring and is determined by the decisions of the 27th Party Congress and the 19th All-Union Conference.

We need radical advances in every sector of social renewal and primarily in the solution of the urgent problems in the lives of the Soviet people. This is the task of every party organization and communist.

By delegating greater powers locally and creating opportunities to develop sociopolitical, economic, and labor initiative, we also delegate party responsibility and the personal responsibility of communists for work in specific areas of restructuring.

Now is the time to act. The contribution of each communist and working person to restructuring is determined by specific work and the specific results of labor.

*The report was heard with great attention and received with sustained applause.*

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

### **Socialism and Property**

*18020018c Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 28-37*

[Article by Vladimir Petrovich Shkredov, professor at the USSR Council of Ministers Academy of the National Economy]

[Text] Compared with bourgeois private property, socialist property offers greater opportunities for the upsurge of production forces, the development of the economic feeling of enterprise of millions of people and achieving a high quality of life. However, our latest history has developed differently. The capitalist production method which, it seemed, was doomed to total decay, gained a "second breath" in recent decades and proved capable of making a scientific and technical revolution, ensuring a rather efficient use of its results in all areas of social life and creating an expanded social infrastructure. Conversely, stagnation and pre-crisis phenomena grew in our country. The scientific explanation of this historical paradox presumes, in addition to everything else, a comparative analysis of the development of ownership relations in highly industrial capitalist countries and in the USSR.

As a result of a lengthy development, capitalist ownership relations experienced radical changes. In the decisive public production sectors private (individual, family) ownership of capital assumed associated or collective-capitalist and state-capitalist forms. The narrow limits imposed by the accumulation of capital, production specialization and scientific and technical progress on free and full private ownership were lifted. The adaptation of ownership relations to powerful production forces offered bourgeois society new opportunities for economic growth and the easing of sharp social problems. This historical fact does not refute but, conversely, confirms the strength of the Marxist theory and its ability scientifically to predict the future.

As early as the mid 19th Century, K. Marx established that "the elimination of capital as private property within the framework of the capitalist production method itself" had taken place with the establishment of shareholding companies. It led to monopolizing the main economic sectors, for which reason it required the intervention of the state. Shareholding companies, the system of bank loans and cooperatively owned factories were considered by Marx as transitional forms indicating the way in which, with the advance of production forces, "from one production method there appears and develops a new production method" (see K. Marx and F. Engels, "*Soch.*" [Works], vol 25, part I, pp 479-485). These theoretical conclusions, which were developed in V.I. Lenin's doctrine of imperialism, can now be considered a fully confirmed fact of the existence of the most developed forms of capitalist production and bourgeois ownership.

Whereas ownership relations which prevailed in the basic areas of the bourgeois economy experienced profound changes, the forms of state and cooperative ownership which had developed in the USSR in the 1930s, remained, until recently, essentially unchanged.

During that period the fast and virtually complete nationalization of industry and trade took place. The peasant masses joined the kolkhozes, bypassing the simplest, the intermediary forms of cooperation. The expropriation of petty owners in the towns (craftsmen, retail merchants, and so on) led to the nationalization of services, with all the negative consequences which stemming from it. This led to the assertion of the "unchallenged" rule of state and cooperative ownership. However, this type of ownership found itself in a state of profound contradiction with the level which had been reached in the development of production forces, and the objective conditions and economic laws of public reproduction. In the postwar years, although through different methods, further efforts were made to accelerate the solution of economic problems through the further strengthening of state centralization in the utilization of labor means and products, administrative restrictions of the autonomy of kolkhozes and auxiliary plots and the conversion of kolkhozes into sovkhoses.

Later, particularly between the end of the 1970s and beginning of the 1980s, conservatism predominated in state policy toward property, paralleled by the strengthening of bureaucratism and uncontrolled activities on the part of many leading agencies and individuals, along with trends of departmentalism and parochialism. They led to phenomena which were incompatible with the high degree of production socialization, such as unrestrained growth and waste of capital investments, predatory attitude toward national resources, and waste of state property as being someone else's or "nobody's." The worst consequence of all this was a profound undermining of the interest shown by millions of people in displaying a proprietary attitude toward the means and products of public production and results of collective labor, combined with the extensive spreading of petty theft, drunkenness, and indifference toward anything which did not pertain to the private interests of individuals.

In the past (from the 1930s to the beginning of the 1950s) such trends were countered by the state coercion to work: there were severe penalties for truancy, showing up for work late and leaving early; there was a mandatory minimum of labor days in kolkhozes; there was extensive use of the labor of inmates in northern and eastern areas and cruel punishments for the theft of state property, particularly in petty amounts. After these measures were abolished as being socially unacceptable, phenomena began to develop proving that the toiling masses were not the real owners of the means of production; the superior state authorities largely lost actual control over the production, distribution, trade and consumption of the products of public labor. Ownership relations in the way they had developed in the mid-1980s became one of the main factors hindering our society's socioeconomic progress. The disparity between them and the need for the development of production forces and economic laws regulating production and reproduction processes, intensified increasingly. We faced the need to make radical changes in ownership relations within the framework of socialism, aimed above all at making the working people the real owners of production means and products. The solution of such problems required the critical revision of a number of dogmas and stereotypes which had accumulated over many years in the area of the theory of ownership.

The concept that all members of society are directly linked to the means of production even prior to the beginning of the production process prevails in socialist political economy. Had this actually been the case, there would have been no problem in involving millions of people in work, maintaining discipline and ensuring a proper standard of labor productivity and quality. As reality proves, the solution of this problem is quite difficult. It requires more mature economic conditions than simply replacing capitalist with socialist ownership.

In considering the question of the status of man in the system of socialist state ownership, we must not ignore



that all able-bodied members of society are the individual, the private owners of their manpower. They have the right to choose their own profession and place of work at a given enterprise. That is why the state, as the owner of the means of production, does not directly control the manpower.

The able-bodied member of society, who remains outside the production process at a given enterprise, is not really tied to the means of production. The wage is the objectively necessary form of involving the people in work at a state enterprise. Through the wage man becomes part of the labor collective and, as part of it, participates in the production process and in managing a specific part of state ownership. Inherent in such relations are objective contradictions related to the fact that every person has the right to dispose individually of his manpower, whereas managing means and products of the production process is a collective feature.

From the economic viewpoint, the question of combining within real ownership relations private and public (collective and state) interests is reduced to the correlation between the necessary labor and the product (the monetary expression, most of which consists of wages), on the one hand, and the added labor and product, on the other. In an effort to satisfy their own interests, the participants in the joint labor process also create an added product and thus meet the interests of the enterprise (profit) those of the state, the essential material expression of which is the part of the net income which is centralized within the state budget. Such a combination of interests presumes a correlation between the individual wage and the overall results of activities of the enterprise, of the entire labor collective (its cost accounting income). In economic practice, however, wages have become a value based on the general state fund. Frequently wages turn out to be higher at enterprises which do worse, relative to others. The conversion to the new principles in setting up the wage fund at enterprises, and establishing their link with end work results, is a major step toward solving said contradiction.

The true position of man within the socialist ownership system does not end with his attitude toward the means of production. The socioeconomic status of individuals as consumers of goods and services is just as essential. The needs of the working people are partially met out of joint consumption funds, which are owned by the state or by public organizations. However, as we know, through the intervention of wages and retail trade, some consumer goods change from state to private ownership and find themselves in the area subject to the will of individuals (families). Private (family) property which, on the one hand, is the consequence of participation in collective labor is, on the other, a prerequisite for the reproduction of manpower and for surmounting a certain alienation from the means of public production and their product. Thus it acts as an objectively necessary form of combining individual with public interests, and as one of the essential prerequisites for the development

of the individual, manpower reproduction and real unification between the manpower and public means of production. Therefore, it would be erroneous to limit the area of socialist property to the attitude of the individuals toward the means of production. The ownership of means of production should not be separated from the ownership of consumer goods.

Also related to concepts of the direct linking of manpower to means of production are views according to which every person separately establishes direct relations with society or with the state, and is the owner, the "co-owner" or "co-proprietor" of all state means of production, regardless of where he may be working. This lowers the role of the enterprise and its labor collective as the objectively necessary link between each individual working person and the state. It is precisely through the labor collectives that manpower is linked to the means of production and the able-bodied members of society truly become participants (subjects) in state ownership relations.

The radical restructuring of economic management, which is currently taking place, marks the beginning of a historically new stage in the development of relations between the state and the state enterprises (their labor collectives). The Law on the State Enterprise (Association) provides the necessary political and legal prerequisites to this effect. It characterizes the labor collective of an enterprise as the proprietor who, making use of national property, multiplies the public wealth, combines the interests of society, the collective and the individual worker, and independently solves all problems of production and social development. As a juridical person, the enterprise owns, uses and handles a separate part of the national property. It is not responsible for the obligations of the state and, in turn, the state is not liable concerning the obligations of the enterprise.

Essentially, the enterprise (the labor collective) is considered the owner of the corresponding means of production and products. But how is this right of the enterprise related to the right of the state as the subject of the property? It would be erroneous to seek the answer to this question on the basis of classical bourgeois definitions of ownership, developed on the basis of the study of private ownership relations. According to them, the subject of ownership can be only a single individual who has absolute power over objects belonging to him.

State socialist ownership is a historically new system of social relations with its specific features. For that reason the definition of the subject of ownership, based on previous practical experience, should not be automatically applied to it. Socialism is not one huge factory engaged in production work for the benefit of the entire society. The objective economic need which stems from the level reached in the development of production



forces is the subdivision of public production into relatively autonomous cost accounting enterprises, independent of each other and of the state budget. This makes necessary centralization in the handling of a certain share of the national income and its planned utilization by the state.

The combination of centralism with enterprise economic independence is making its way even despite instructions, regulations and laws which rigidly regulate economic activities. The specific interests of enterprises and their labor collectives do not disappear if the superior authorities ignore them. Enterprises must be given a real opportunity independently to own, use and handle production means and products and to consider them their own, within more or less broad limits. At the same time, the state is unable to meet its own material interests regardless of the actions of enterprises. There is an economic necessity for the means of production and products, as objects of ownership, to be included in the area of the manifestation of the will of the state and that of the labor collectives (the enterprises). However, neither enterprises nor state authorities should separately have the unrestricted right of possession, utilization and management. In addition to the state authorities, subjects of state socialist ownership include the entire mass of enterprises (labor collectives) and economic management authorities which handle material resources one way or another.

However, the theory which developed in the past, and which was used for many long years as a justification for practical work, stipulated that the state was the sole subject of state ownership. The role of the enterprises was reduced to obeying the will of the state. It had no independent interest, but had "the right of efficient management." In practical terms, the labor collectives were placed in a situation which forced them to develop an attitude toward the means of production as not being their own or ours, but someone else's or nobody's.

Both laws and scientific publications treat state ownership as national ownership. However, this description conflicts with the fact that, in terms of their material interests, actual status and role in the public production process and in economic management, as participants in ownership relations, the working people are substantially different from one another. These are not abstract "members of society" or "direct producers" in general, but socioeconomically defined individuals. That is why we cannot consider as consistent with reality the popular description of socialism as being a nationwide "association of producers."

The socioeconomic inequality among people as participants in ownership relations cannot be reduced merely to differences between the working class and the kolkhoz peasantry. It exists within state ownership. Real cost accounting reproduces socioeconomic differences among enterprises and among their personnel, in terms of labor conditions, amount of wages, and amount and

structure of private ownership. Also important are differences between the personnel of state administrative authorities and those working at state and cooperative enterprises. The socioeconomic interests of individuals engaged in the nonproduction area and directly in the material production process do not coincide in all aspects. In as much as said socioeconomic differences exist among working people, whereas enterprises engage in the reproduction process essentially on their own account, considering state socialist ownership as being ownership by the whole people, equally serving the interests of one and all, is premature. One can speak of its nationwide nature only in the state-legal meaning of the term, to the extent to which the state itself, as the agency of political power, is national (however, this status as well requires a critical scientific study). The real owner of state property is not a faceless or socially homogeneous "people." It is the working people, differentiated into classes, social strata, groups, ethnic groups, relatively separate labor collectives, and so on.

Since in theory the nature of ownership of the bulk of the means of production was related to its nationwide character, the study of its governmental forms was not ascribed essential significance. What was ignored was the fact that the socialist state is an administrative apparatus with its specific interests reflected in the practical utilization of production means and products. Some economists and jurists had even interpreted the state as an element of the economic base, essentially eliminating the problem of the relationship between ownership and the exercise of political power and the development of democracy.

The state form does not give ownership a nationwide character. However, in this connection, it would be inaccurate to separate as really extant two separate forms of ownership: ownership by the whole people, which is extended to the means of production and the products of the enterprise, and state ownership, which covers only that which pertains to the material and financial base of operation of state authorities, as well as objects of the production and social infrastructure. The fact that within state ownership we should distinguish among its separate varieties, one of which could develop in a nongovernmental form in the future, is a different matter.

The unification of all forms of ownership under socialism, other than the private, the individual, within a single category of "public ownership" has become scientifically widespread. However, differences between state ownership, directly related to the exercise of political power, and real social ownership, based on self-management in its variety of forms, are substantial. Clearly, as we create corresponding material and organizational prerequisites, the area of specific state ownership will be reduced while that of truly public ownership of consumer goods and means of production will be expanding. Ownership relations will assume a greater variety of forms, with clear differentiations in terms of their legal

control. The way which leads to this goes through the democratization of the state power and administrative authorities and the enhancement of the role of public organizations and the various forms of self-management. The conversion to full cost accounting and making labor collectives the real proprietors are indivisible from political democracy, the expansion of the real rights of enterprises and the enhancement of the role of the toiling masses in controlling production, distribution, trade and consumption. Without this, the application of the full economic, social and moral potential of state socialist ownership is inconceivable.

One of the main trends in the party's socioeconomic policy is the restoration and creative application under contemporary conditions of Lenin's ideas of cooperatives, and providing comprehensive support in the development of the various forms of cooperative ownership. This policy has found its expanded expression in the Law on the Cooperative in the USSR. It includes the legal standards which favor the activities of various types of production and consumer cooperatives as well as economic and organizational steps aimed at encouraging their development. The traditional practice of relations between state authorities and kolkhozes (as well as consumer cooperatives) clashes with the internal nature of the cooperative form of ownership. Actually, the kolkhozes have lost their objectively inherent right to handle as they wish (with the exception of restrictions stipulated in the law) and to own and utilize their own funds, products and means of production and independently to organize their collective labor process.

Whereas initially the factual state monopoly (in the guise of "mandatory procurements" and, subsequently, "purchases") applied essentially to the purchasing of kolkhoz grain, it was later extended to an increasingly wider range of agricultural commodities (meat, milk, vegetables, etc.). The consequence of such a monopolizing was the administrative-coercive organization of the structure of agricultural production. In the final account, all aspects of the reproduction process found themselves under the permanent control of state authorities and centralized planning increasingly became an instrument of arbitrariness rather than a factor in increasing agricultural efficiency.

Many kolkhozes have long lost the possibility of expanded reproduction through their own income and the state has been forced to support a significant portion of such farms which turned into insolvent debtors, surviving at the expense of the material and monetary resources of the state and the labor of the recruited urban population. We are now faced with the need to "convert kolkhozes to full cost accounting," although a kolkhoz without cost accounting and without self-support is not a kolkhoz. The strategic course charted toward encouraging the development of cooperatives should be paralleled, essentially, by the revival of the kolkhozes as truly cooperative enterprises. Having firmly taken the path of conversion to economic

management methods in the area of state ownership, in terms of the kolkhozes we must accomplish this conversion on an accelerated priority basis. A powerful impetus to this effect could and should be provided by the party authorities on all levels. The development of kolkhozes as cooperative enterprises will prove impossible without changing the principles in managing the economics of farming. State planning and controlling the activities of kolkhozes, consistent with the nature of such enterprises, should take place exclusively through economic methods, including the purchase and sale of agricultural commodities on a contractual basis, strictly in accordance with the laws. The most important form of payments made by the kolkhozes to the budget, suitably reflecting the state ownership of the land, could be achieved through a differentiated rental payment for the land (payments for the land or a land tax, the amount of which is computed in proportion to the size and natural fertility of the land).

For a long time the differentiated rental payment remained virtually unused as an independent source of state budget income and as an economic lever in systematically controlling the development of the farms. The use of the principle of free land use is the equivalent of the actual abrogation by the state of the economic exercise of the right to land ownership. It was proclaimed in the past that the land is being given to the kolkhozes for perpetual and free use. In reality, this principle was not implemented and some of the kolkhoz land was expropriated. Something else is more essential: for a number of years during the prewar and the first postwar periods the kolkhozes gave to the state not only the added product, including differentiated rental payments as part of the product, but, during certain periods, also some of the necessary products, in the form of "mandatory procurements," and payment in kind for the work of the machine-tractor stations, in amounts based on the quantity and quality of the land. The existing practice of differentiation in purchase prices by zones made it possible partially to redistribute the differentiated added income generated on the best lands. Such prices, however, do not reflect the rental payment per hectare of land and are unable to take into consideration all individual differences existing among individual enterprises in terms of the quantity and quality of their land resources.

Currently payments for natural resources are being introduced. The Law on the Cooperative in the USSR stipulates that agricultural cooperatives located in relatively better areas will pay rent to the state. However, the specific form of such payments has not been stipulated. More than anything else, the land rent resembles payment for the land or a land tax. The conversion to paying for the use of the land, in addition to making a land survey and providing a general fiscal assessment of the land, also presumes the use of a qualitatively new principle for price setting in agriculture, based on cost under relatively worse (limit) reproduction conditions.

Payment for the land, consistent with its size, natural quality and location, is of particularly important political, economic and moral significance in terms of kolkhozes functioning cooperative enterprises. With the "perpetual" or (indefinite) and "free" land use, the state had actually neither juridical nor economic grounds to set up "mandatory procurements," and mandatory planned assignments for the production of commodities. Payments for the land would enable the state, as the landowner, systematically to control the development of kolkhoz production on the basis of long-term lease contracts which, by the common agreement of the parties, would stipulate all the necessary conditions related to granting land to the kolkhozes (amounts of payment for the land, term, and the quantity and quality of produce sold to the state, and so on). Relations with sovkhozes could be organized on a similar basis.

The use of payment for natural resources would make it possible to make land relations consistent with the objective needs governing the development of production forces. It would contribute to the fact that, once again, the land would have a real owner.

Ownership based on individual (family) labor plays a special role in the system of social relations. As a result of a complex set of historically transient conditions during the initial establishment and development of socialism in our country, many people developed durable prejudices regarding any form of ownership which is not directly related to large-scale public production. The elimination of capitalist and landowner property was paralleled by processes which, in the final account, led to the total elimination of private ownership based on the utilization of individual (family) labor. This historical fact was reflected not only in ordinary awareness but in theory as well, in which the idea of the incompatibility of socialism with any form of private ownership became an inviolable dogma. It justified the practical course toward the elimination of private property in all economic areas of socialist society. Yet, in the strictly scientific sense, this conclusion lacked theoretical as well as practical substantiations.

Unlike classical bourgeois views, Marxism-Leninism makes a clear distinction between private property related to the exploitation of outside labor (hired, indentured or slave) and private ownership based on the personal work of the subject. The qualitative difference between them objectively determines the essentially different attitude toward each one of these forms of ownership in the course of the socialist reorganization of society. Nonetheless, the false premise was formulated in the 1930s according to which private ownership based on one's own labor and petty commodity production are the same as capitalist ownership.

In reality, this form of ownership not only precedes capitalism but is also its opposite. Capitalist ownership, according to Marx, appears on the grave of private ownership based on one's own labor.

Each form of ownership must be interpreted on the basis of specific historical factors, organically related to the level reached in the development of production forces. The state and cooperative forms of socialist ownership are economically efficient with a high degree of mechanization, concentration and specialization of output. The petty private (individual) ownership, being inefficient where the production process has reached a high scientific and technical standard and a large scale, offers economic advantages in sectors and areas in which concentration and the technical level of output have still not reached a high degree. It is suitable wherever the production of goods or services presumes, in general, by its very nature, a primarily small scale output. If in any area production forces have not developed to the proper level but, nonetheless, petty individual ownership has been totally eliminated, this inevitably triggers adverse economic and social consequences and limits the satisfaction of the respective needs of the working people.

In prerevolutionary Russia artisan production and petty private trade played a major role. The virtually total nationalization of said forms created the trend toward a declining socioeconomic efficiency of services, retail trade and production of certain consumer goods. It was totally impossible to meet some personal needs. In recent decades concealed forms of private entrepreneurial activities began increasingly to develop, hiding behind a screen of state enterprises (custom clothing, repair workshops, barber shops, retail trade, public catering, trucking and cab driving). Furthermore, various forms of illegitimate private activities became widespread such as, for example, jobbers in construction or custom fashion tailoring. Such phenomena can be explained not only by errors in economic policy but also objective factors and the drastic disparity between the production structure (commodities and services) and the structure of personal needs. These facts, which assume the mass nature, prove that the objective reasons which determine the need for the preservation and encouragement of individual labor activity in some commodity and service production sectors did not disappear. For that reason the CPSU, which encourages the development of ownership based on individual labor, is not governed by circumstances. This is a long-term task the implementation of which will contribute to better satisfying the needs of the working people, will counter the dissemination of various forms of appropriation of unearned income and will meet the purpose of combining individual with social interests.

The development of such forms has its contradictions and problems. There may be, possibly, an intensification of trends undesirable from the viewpoint of public production, such as lowered material incentive on the part of some employees in state and cooperative enterprises in the results of collective labor. However, as socioeconomic conditions and the results of all social production change, as the scarcity of means of production and consumer goods is eliminated and as monetary circulation strengthens, said trends could be neutralized.

The legislative and administrative restrictions on the development of ownership based on individual labor cannot be effective by themselves. Gradually, here as well, as in the entire national economy, we must convert from administrative to primarily economic management methods. Conditions governing the procurement of raw materials, materials, transportation services, loans, taxes and the quality and price of commodities and services charged by state and cooperative enterprises should be the main instruments for controlling the development of ownership based on individual labor activity. The policy of encouraging individual labor activity is totally unrelated to the alternative of capitalism or socialism. It is a choice between the secret economy and the dissemination of illegal (and frequently huge) unearned income and private means of satisfying the needs of the working people, controlled by the socialist state.

The development of individual labor activity will create conditions for the productive use of savings from income earned for labor in public production. Such possibilities will increase if, in the future, the law would broaden the range of people allowed to engage in various types of such activity. Ownership based on individual labor could and should become an organic element of the system of production relations in socialist society.

Even in the past, under the capitalist economic system, such ownership did not threaten socialism, for the "command heights of the economy" (large-scale industry, transportation, banks) were in the hands of the state. Today it could and should be used even more wherever it would be efficient from the viewpoint of the socioeconomic objectives of socialist production. The restructuring of ownership is not self-seeking. It is merely a means of developing production in the interest of meeting the needs of the working people and strengthening the prestige of socialism. Any form of ownership is good if it is founded on collective or personal (family) work, if it accelerates economic growth and contributes to improving the working and living conditions of the working class, the intelligentsia, the peasantry, and all working people.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

**Joint Enterprises—Initial Results and Prospects**  
*18020018d Moscow KOMMUNIST in Russian No 12,*  
*Aug 88 (signed to press 5 Aug 88) pp 38-47*

[Article by Ivan Dmitriyevich Ivanov, deputy chairman, USSR Council of Ministers State Foreign Economic Commission, doctor of economic sciences]

[Text] The substantial expansion and enrichment of the specific forms of foreign economic relations is a structural part of their reorganization. For example, joint enterprises with partners from foreign countries, including both capitalist and developing, established on Soviet territory, are being given their start in life.

By now 70 such enterprises have been registered in the USSR. A "declaration of intentions" has been initiated by yet another 60. Five hundred similar projects are being processed. Six of the already registered enterprises are functioning and the remainder will be commissioned by the end of the 5-year period. This indicates the appearance of yet another channel for international economic interaction in our country's foreign economic relations.

Nonetheless, a joint enterprise is to us not simply a new but also a quite unusual matter which calls for surmounting a number of customary and lasting stereotypes in our thoughts and actions. That is why a thorough study is needed in this area of developing experience, based not only on economic management practices but on progressive theory as well.

The fact that the Soviet Union has turned to joint enterprising activities with foreign companies and organizations on its own territory is entirely explainable and legitimate.

The economic rapprochement among nations and the growing interdependence among countries are common features of the contemporary world. In addition to trade such processes will increasingly extend to the production area. This is the result of the law which was determined by Marx himself of the ascending evolution of forms of the international division of labor (see K. Marx and F. Engels, "Soch." [Works], vol 23, p 363). After the general and the specific aspects (achieved through inter- and intra-sectorial trade) it is increasingly characterized by individual forms, in which the process of commodity output itself becomes internationally spread out. Prerequisites for this are created also by the international dynamics of production capital and the intensification of competition.

Today the level and stability of economic relations among countries and their positions in the world market directly depend on the successful mastery of the practice of international production. It is no accident that this area already accounts for roughly one-third of the international capitalist economic trade. It is precisely from it that multinational corporations developed. Industrial cooperation, which has become a truly universal phenomenon, is considered today also the main trend in restructuring the mechanism of socialist economic integration. Its advantages, as practical experience indicates, are realized precisely within the framework of joint enterprises, in which the partners are united not only through contractual relations but also through the stable foundations of joint ownership.

The Soviet Union strives to emerge widely in the arena of production cooperation with foreign countries, in all of its manifestations. The fact that socialist ownership exists in our country does not prevent this in the least. On the contrary, with a creative, a dialectical approach,

joint enterprises, involving foreign participation, entirely fall within the range of possible variants in the specific handling of such property.

Thus, such enterprises are created with socialist countries on the basis of common socialist ownership. Although the nature of this political economic category has still not been fully identified, it is obvious that in this case they could become organically included in the process of expanded socialist reproduction and national economic turnover in the USSR. As practical experience has indicated, the problems which arise in this case are triggered essentially by specific differences in the economic mechanisms of the cooperating countries.

The problem of organizing joint enterprises with partners from capitalist countries is more difficult to solve in terms of prevalent concepts. In this case, within the framework of a single economic unit located on Soviet territory, socialist ownership is combined with foreign capital and part of the profits earned by such an enterprise is transferred abroad. As an exception to the rule, for a long time the idea was considered of creating our own (or mixed) companies abroad. This problem as well requires a detailed analysis.

Unquestionably, in their essence socialist and capitalist ownership are opposites. In the contemporary interdependent world, however, they cannot fail to interact. Also economically inadequate are indirect contacts between them, with traditional trade acting as the intermediary, for the latter is simply unsuitable when it comes to mastering the higher forms of international division of labor and the efficient exchange of achievements of the scientific and technical revolution. That is why the appearance of some kind of related, of mixed forms along the dividing line between these two systems, needed for purposes of cooperation precisely in the primary, the scientific and production area, is entirely logical.

Such specific "unity" does not void in the least the struggle between these opposites. This struggle merely adopts new, more tangible forms. Let us recall that, in describing concessions, V.I. Lenin systematically crushed the idea leading to the creation of an inferiority complex according to which in such enterprises socialism allegedly retreats and remains only threatened and defensive. "Without engaging in any kind of denationalization" (*"Poln. Sobr. Soch."* [Complete Collected Works], vol 44, p 8), and "by putting up its own share," Ilich taught, conversely, the country turns a joint enterprise into an active, an aggressive "competition between two methods, two systems and two economies—communist and capitalist" (see op. cit., vol 42, p 75).

This Leninist confidence in the acceptability to the Soviet economy of a share partnership with foreign capital becomes even better substantiated today, when the economic power of the Soviet Union has immeasurably increased compared with the start of the 1920s. We

must also remember the importance of this partnership as being a measure of confidence and an element of peaceful coexistence, for Lenin directly saw in it an "economic and political argument against war" (*ibid.*, p 76).

Therefore, we have the proper grounds, "ignoring all existing prejudices on this account, and the unwillingness to move" (op. cit., vol 43, p 182) and taking into consideration the experience of the other socialist countries to set up joint enterprises with companies from capitalist countries, including on our own territory. However, some of the most widespread fears in this connection call for an argued answer.

The most frequently expressed concern is that in joint enterprises operating on Soviet territory the Soviet working people would be exploited by foreign capital. By analogy with Soviet (mixed) companies abroad, such doubts are related to the fact that the Soviet Union itself acts as an exporter of capital.

The answer to this is that being "included" within an opposite social system, foreign capital does not, naturally, "change its skin." While retaining the freedom of displaying its production and entrepreneurial functions, it is restricted by the socialist state in terms of its appropriation functions by the limits defined by the mutually profitable existence of the joint enterprise. Worker wages and social insurance are defined here by Soviet legislation. Overtime it is only partially condensed with the profits earned by the foreign partner which, in turn, must pay taxes to the state budget.

Naturally, under those circumstances as well, foreign capital collects a certain due. Without it it would simply not accept such cooperation. However, we must bear in mind that, to begin with, the redistribution of our national income takes place, in one form or another, not only with joint entrepreneurial activities but also with any other type of foreign economic relations. Even in ordinary trade, which is customary to us, the country could show either a profit or a loss, depending on the correlation between export and import prices and between them and domestic production costs. A great deal also depends on the management of the foreign economic complex. For example, the familiar shortcomings which developed within it during the years of stagnation led to the fact that what developed in the USSR was a primarily energy-raw material export structure, which was vulnerable to changing conditions. As a result, in the 1980s, when petroleum prices dropped by more than one-half, the bulk of commodities exported by the USSR increased faster than their value. However, one can and must wage an efficient struggle against this without, naturally, blocking some channels of foreign economic relations "not looking for the moon" but filling these channels with domestic competitive and highly profitable goods.

Second, as far as joint enterprises themselves are concerned, they appear most frequently wherever our domestic science and industry fall short. Not even mentioning high-technology products, if only the Ministry of Light Industry could saturate the country's market with high quality shoes we would not have to invite into the country the West German Salamander Company. Equally, if Gossnab had been able to organize the processing of recycled materials, the country would not have needed the services of the French Compagnie Olivier.

Nor is a direct comparison between Soviet foreign investment operations and capital exports convincing. We must bear in mind that today foreign investments in the global economy may be classified into two trends with dissimilar objectives and functions. A considerable percentage of such funds are indeed rushed abroad in pursuit of higher profits, thus becoming the material foundation for the "third feature" of imperialism. Their other component, however, which defines Soviet practice as well, is invested abroad above all for technical and economic reasons and is directed toward **the creation of an infrastructure of modern foreign economic relations there.**

This includes transport enterprises, warehouses, processing bases, marketing, servicing and consultation systems, credit and insurance establishments, and so on, which are especially necessary, particularly when machinery and equipment is exported. By extending supplier control over extranational units within the commodity channeling network, they make it possible to increase the supplier's profits, avoid middlemen and establish direct contacts with consumers. Therefore, essentially such a foreign network **continues the process of the production of the exported commodity**, and, naturally, it would be wrong to equate this with any whatsoever manifestations of imperialism or neocolonialism.

Currently 120 Soviet (mixed) companies are operating abroad and most of them are precisely part of the commodity producing system, ensuring industrial exports from our domestic territory. These companies handle, among others, from 50 to 100 percent of Soviet exports of machinebuilding output to Western European countries.

As the plans for comprehensive increase of Soviet industrial, including machine-engineering, exports are being implemented, this network will be expanded. Furthermore, **the time has come to think of adding to it a production trend.** This is dictated by the requirements of international competition, relieving the country's economic structure from a number of capital-intensive sectors and concern for the conservation of our natural resources.

Thus, in a number of cases the creation of domestic (mixed) production companies abroad is the only possible way of conducting economic activities in such countries. For example, salt-water fish is a staple in nutrition

of the Soviet population. However, the bulk of the most bioproductive areas in the world's oceans are today the exclusive economic zones of coastal countries and are closed to free fishing. This problem is solved by the Ministry of Fish Industry which has set up 13 mixed fishing companies.

The resource base of our extracting industry is becoming more costly and exhausted. Therefore today importing raw materials turns out to be quite frequently more advantageous than its domestic extraction. However, the changes in the circumstances and the gravity of the debt problem in producing countries create instability in the conditions which provide access to raw materials. This can be surmounted only by having our own production facilities abroad. The founding, jointly with the USSR, of mixed enterprises, replacing the current sporadic contract purchases, is considered preferable by many developing countries as well.

It is not excluded that such investments in the production area would be nonetheless interpreted by our opponents as the export of capital, even in its "pure aspect." In fact, however, its political-economic sense is entirely different. The export of capital means transferring to the developing countries elements of a capitalist system. That is precisely why it is being consciously and extensively used by imperialist circles in order to accelerate the development of these countries along the path of capitalism. Conversely, introducing in their mixed economic systems elements of socialist ownership would historically work for the entirely opposite social future.

Interacting with local anticapitalist forces, this would convert the competition between the two systems from the area of a demonstration effect into a profound base for a developing economy and into the dynamics of relations between the different systems within it.

By creating prerequisites for progressive changes, such a practice would be of particular importance to countries with a socialist orientation. Conscious progress toward socialism would obtain support not only in the superstructure but also in the foundation of their societies, providing experience in socialist-type economic management which, for understandable reasons, cannot be secured either through traditional trade or even with the help of significant economic and technical assistance provided by the Soviet Union. It is regrettable that because of our own dogmatism, so far we have not established this socialist alternative to capital exports and failed to understand V.I. Lenin's warning about the need to master in the competition between the two systems "all means of struggle" (see op. cit., vol 41, p 81).

Therefore, joint entrepreneurial activities abroad in the production area is consistent with the economic and the much broader interests of our country. Characteristically, many socialist countries (Hungary, the PRC, Yugoslavia) are already resorting to it to a rather significant extent.

In Soviet practice joint enterprise does not eliminate or replace other channels of international economic cooperation. It merely supplements and enriches them while implementing its own specific tasks.

The creation of enterprises with foreign participation on Soviet territory has four interrelated objectives, namely: attracting advanced foreign technology and managerial experience; greater saturation of the domestic market with scarce goods, including import substitutes; use of additional material and financial resources by the national economy and, finally, development of the country's export base.

What type of situation has developed in this area?

Today new technology is the most valuable asset. As a rule, its owners do not like to share it unless they retain control over it. For example, within the framework of licensing agreements with independent companies, what is usually sold is technology which is 10 years old. That is why joint enterprises, whose owners are stockholders and participate in management, are a channel for a much more efficient access to scientific and technological novelties.

As a whole, thanks to joint enterprises, Soviet industry has acquired such a channel. Nonetheless, the technological standard of the enterprises being set up remains quite disparate. In addition to so called "high" science-intensive technology, they also use production processes of average complexity.

Thus the Homatek Enterprise (an association between Stankostroitelnyy Zavod imeni S. Ordzhonikidze and Heinemann, FRG) is beginning to produce processing centers, flexible industrial modules, and systems involving the use of robot, sensor and laser technology; Kranlod (Odessa Production Association for Heavy Machinebuilding and Liebherr, FRG, Switzerland) is producing heavy-duty self-propelling cranes; PRIS (Neftekhimavtomatika Scientific Production Association and Combaschen Engineering, United States) is producing petrochemical automated control systems. Meanwhile Sovplastital (the Uzbytplastik NPO and Alma Rose, Italy) will be producing consumer goods made of plastic; Sovventekstil (Moscow Production Enterprise for Nonwoven Fabrics and Temafor, Hungary) will process recirculated textile materials; Tavriya (Soyuzanilprom and Sandoz, Switzerland) will produce dyes, etc.

Such practices can be explained by the fact that foreign companies are still only considering the Soviet Union as a partner. Restrictions based on COCOM among others have retained their validity in this area. For example, they hinder the forming of joint enterprises for the production of electronic telephone switchboards involving the Belgian Bell-Alcatel Company. Finally, under the

new economic management conditions Soviet ministries, associations and enterprises themselves choose their foreign partners and objects of joint enterprise, which suit their technical policy.

The main thing is, nonetheless, that so far our industry has basically only reacted to foreign offers for the creation of joint enterprises and has been very inactive in formulating its own. This has introduced elements of lack of system and even randomness in the sectorial structure of joint enterprise.

At the present time our own list of more than 320 projects which could be opened for participation by interested foreign partners in 1989 and 1990 and during the 13th 5-Year Period, has already been drafted and brought to the notice of foreign business circles. The list reflects the structural, technological and investment priorities in the development of the Soviet economy in the future and includes 69 agroindustrial projects, 60 chemical-timber projects, 50 projects in the social area, 48 in machinebuilding and 33 in the construction complex. One hundred fourteen projects involve science-intensive production. Also characteristic is the fact that joint entrepreneurial activities will be widely spread on Soviet territory: 121 of the proposed projects will be located in the Russian Federation; 43 in the Baltic area; 38 in the Ukraine; 21 in the Transcaucasus; 16 in Belorussia; 7 in Central Asia, and so on. The intention is to attract foreign partners in the implementation of the majority of such projects on the basis of competition. As a whole, the filling of this list (on which we are already beginning to receive proposals submitted by foreign companies) would enable us to include more efficiently and constructively joint entrepreneurial activities in the plans for the economic and social development of the USSR.

Let us also note that joint enterprises in the USSR are by no means based exclusively on imported technology. In many cases they are also based on the results of Soviet scientific research developments. Thus, included in the projects of the list we mentioned is the industrial production of Soviet Yamal snow- and swamp-going vehicle, (Ministry of Construction of Petroleum and Gas Industry Enterprises), and special rubbers (USSR Ministry of Petroleum Refining and Petrochemical Industry). About a dozen of already established mixed enterprises will use domestic computer software. The USSR Gosagroprom has proposed to EEC companies for use in joint enterprises technology for the production of sour milk products, starch, volatile oils, citric acid, sparkling and fruit-berry wines, plant multiplication through grafting, etc. A significant amount of Soviet equipment (42 machine units produced by 18 enterprises, and their electronic parts) will be delivered to the PRIS Enterprise. Therefore, technologically engaging in joint entrepreneurial activities with the USSR is by no means a "one-way street," as is sometimes argued by foreign ill-wishers. This is yet another channel for constructive interaction among the scientific and technical potentials of different countries.



The USSR is actively accepting progressive managerial experience as well. Many of the joint enterprises have programs for the training of Soviet personnel, while in most such enterprises the executive offices of most foreign members are responsible for technical policy, quality control and marketing. In both cases this will be a good training for our specialists. The first joint enterprise for upgrading the skills of specialists in the information industry has been created—Mikroinform—whose partners are Terta (Hungary) and the MISI imeni V. Kuybyshev.

It is the domestic industry above all that has been called upon to saturate the domestic market with good quality goods. Here as well, however, joint enterprises could play a useful supporting role by replacing imports with their output. In the future their saturating and import-replacing effect will be noted in sectors such as machinebuilding, chemistry, computer software, processing of recirculated resources, container manufacturing, and publishing. This affects the consumer sector as well. Thus, the Soviet market has already received dyes produced by the joint Sadolik Company (Estkolkhozstroy and Sadolik, Finland), Lenvest Shoes (Proletarskaya Pobeda Factory, Leningrad, and Salamander, FRG), Estfinn Clothing (Factory imeni V. Klementi, Tallin, and Kati-Munti, Finland). There will be an increase in the production of plastic goods (Sofraplast, Moscow), furniture (Fazis, Poti), yarns (Boriforg, Borisov), shoes (Belvest, Vitebsk), household electrical appliances (Bakmil, Baku) and providing medical (Avitsenna, Moscow) and sports-therapy services (Radugasport, Moscow).

Attracting additional material and financial resources through joint enterprises is not considered the main purpose of their activities. It was considered that they can secure their work only on the basis of the principles of foreign currency self-support and self-financing. Furthermore, for the time being the partners prefer not to inflate their statutory capital, resorting, if necessary, to loans. Out of the 70 cases we studied, in 24 enterprises the amounts of this capital was under 1 million rubles; it was under 5 million rubles in 24 enterprises, under 10 million rubles in 12 and in only 10 cases did it exceed 10 million rubles. All in all, for these 70 projects some 530 million rubles have been invested in joint enterprises and the share of the foreign partners has amounted to roughly one-third of this amount.<sup>1</sup>

So far the stipulation which makes it mandatory for joint enterprises to cover all of their external expenditures (imports, transferring abroad the profits of foreign partners, etc.) with income from export is triggering a great deal of arguments. Some companies believe that they are being artificially forced to work for export whereas their purpose, conversely, is the development of the Soviet domestic market.

Indeed, in order to achieve self-support in foreign exchange, an enterprise must export approximately 10 to 15 percent of its output. Nonetheless, the demand for

export self-support has substantial reasons as well. To begin with, if a joint enterprise works for the domestic market exclusively, it would be dependent on the state for its foreign currency, for it would have no foreign exchange of its own to transfer profits. Second, in the case of joint enterprises as well we also need an objective criterion for evaluating the quality of output. If it is competitive on the foreign market it means that the Soviet consumer is being given first-rate goods and we do not expect of such enterprises anything different, for otherwise it would make no sense to set them up. Essentially, the foreign partners accept such arguments although many talks have had to be broken for that reason.

Since September 1987 a more flexible approach has been adopted concerning limitations in the area of foreign exchange self-support. According to the new regulations, as in the past the joint enterprise must export some of its output in order to **prove its consistency with world standards**. However, if the foreign exchange thus earned cannot cover payments for imports and transfer of profits to foreign partners abroad, the latter may obtain the residual part of their profits in commodities, by purchasing the necessary goods they need in the USSR. In particular, this solution was adopted in agreements concluded between the Vneshtorgizdat Foreign Trade Association and the Burda Modem Company (FRG).

Therefore, the targets set for joint entrepreneurial activities on Soviet territory are being essentially met.

Nonetheless, this area has its own problems.

The geographic spread of our partners in joint enterprises is quite extensive. It includes 13 companies from the FRG, 9 from Finland, 8 from Italy, 7 from the United States, 6 from Austria, 4 from France, and 3 each for Switzerland and Japan, as well as companies from Sweden, England, India, Spain, Canada, Ireland, Syria, Australia and Liechtenstein. However, there are only 11 partners from the socialist countries in this area (including 7 from Hungary) although it was initially expected that their number would be substantially higher.

The explanation for such a low share is that the economic reforms carried out in the various socialist countries substantially differ in nature, depending on the specific system they set up for the work of their enterprises and their foreign economic activities. As a result, **the rights and powers of Soviet and foreign socialist partners become noncoincidental**. Matters are further complicated by the different price setting systems used by CEMA members and the fact that their currencies are not interconvertible or convertible into transferable rubles.

All such problems are being actively discussed within CEMA. A decision was reached at its 43rd extraordinary and 44th sessions to the effect that cooperation on the



enterprise level should become in the future one of the main trends in the further intensification of socialist economic integration. Its mechanism will be restructured correspondingly.

As in the past, the problem of the quality of the technical and economic substantiation governing the setting up of joint enterprises remains. In each individual case it is important to prove their profitability and take into consideration the interests of both the foreign partner and the Soviet side. Objective difficulties exist because of the novelty of the problem and the different methods used in assessing the expected results of economic activities, applied by either side. Usually, the partners find solutions to the problem. For example, Petrokam (the Nizhnekamskneftekhim Production Association and MRH, FRG) promises to recover its costs in 1.7 years and to provide national economic benefits totally 8.4 million rubles annually. The partners who have reached an agreement on commissioning the first part of the Homatek Project are working on its second part which will increase its output eightfold.

Unfortunately, it also happens that some actual data, which are needed for purposes of substantiation, are replaced by conventional evaluations. Instead of a considered projection of the situation in the years to come, extrapolations from past trends are practiced. Already now a number of projects must, therefore, be guaranteed specific tax benefits. Such matters are also hindered by the fact that so far no uniform standards for a practical consideration and accountability have been developed for such enterprises, taking into consideration the specific features of a joint enterprise. Here the USSR Ministry of Finance and its specialized Inaudit Consulting Company should have their say.

So far joint enterprises are unevenly distributed by sector and territory in the country. Naturally, no one can set any kind of quantitative assignments to anyone else. The question of setting up joint enterprises is solved by Union and Union-republic ministries and councils of ministers of Union republics. So far, such enterprises may be found in only 9 republics and 80 percent of them are in the RSFSR. All but 5 enterprises are located in the European part of the country, although it was thought that one of the areas in which such development would be most energetic would be precisely the Far East. Possibly here and in Siberia **special benefits may have to be granted for the establishment of joint enterprises.**

In general, constant attention should be paid to the interaction between joint enterprises and our economic mechanism.

The model for such interaction was chosen in the light of the basic trends of our economic reform, i.e., in accordance with the prospect for the extensive development in the USSR of wholesale trade in means of production and the price reform, the purpose of which is to broaden their area on the basis of contracts between consumers and

suppliers and bring their ratios closer to world standards. In particular, by 1990 (when the mass completion of joint enterprises will begin) it was planned that such wholesale trade would apply to no less than one-half of the country's economic turnover and that the new prices would become effective with the start of the new 5-year period.

For the time being, however, the planned conversion is taking place more slowly than expected. In 1987 goods worth no more than 10 billion rubles were sold through wholesale channels; the 1988 planned turnover will equal 40 billion rubles. Nor do we see so far a completed concept of price reform, the formulation of which is held up until the problem of the lack of saturation of the domestic market has been resolved.

Consequently, for a while joint enterprises may find themselves in the situation in which their output will most likely be marketed but supplies during this transitional period may turn out possible only with the "support" provided by stocks and funds of interested ministries and departments.

The legal foundations for joint enterprise must be improved further. In some matters they consist of references to civil legislation which is only partially applicable to specific cases. There is a particularly clear **need for the drafting in the USSR of special legislation on stock holding companies**, for with increasing frequency joint enterprises are being created by more than two partners, which presumes the existence of an expanded legal regulation of their internal interrelationships. Such legislation would be useful also in the intraeconomic mechanism as an instrument for combining the efforts of our different enterprises. Proposals on this matter are being currently considered by the USSR Council of Ministers.

Because of the limited amount of their statutory capital, particularly during the first stages of their activities, joint enterprises extensively resort to loans, including international ones. That is why it is time to include in crediting them, in addition to the Foreign Economic Bank, other Soviet banks as well, and to formulate a system of guarantees for such lending operations. The list of positions according to the USSR State Committee for Labor and of the joint enterprises are nonidentical, which is natural. Furthermore, with a higher labor productivity at such enterprises the question may arise also of the forms of adequate wages. In this connection, in our view, it would be useful to grant joint enterprises greater internal autonomy within the framework of existing labor legislation and, for purposes of regulating specific wage levels, to use collective contracts between the administrations of such enterprises and the trade unions or, if necessary, a progressive taxation scale.

Finally, the attitude toward joint entrepreneurial activities requires high legal standards. Nonetheless, a number of senior officials in the departments and the localities occasionally do not burden themselves with making a

close study of the corresponding legislation. Cases of illegal demands for payments for services "in foreign exchange only," and the urge to appoint various types of controllers, although the economic activities of such enterprises can be controlled only by Inaudit, were cited at the meeting of Soviet managers of joint enterprises, held at the USSR Chamber of Commerce and Industry. Occasionally, a commanding tone used by superior organizations toward such managers is being tolerated by inertia, although it is only the partners who can deal with the problems of joint enterprises. Cases of such behavior will be nipped in the bud.

The Soviet state authorities in charge of regulating joint enterprises are prepared constructively to cooperate with a task force of Soviet general directors of joint enterprises, which was organized in April of 1988 by the USSR Chamber of Commerce and Industry, for purposes of exchanging practical experience and for the collective representation of their interests.

Let us say a few words about Soviet enterprises abroad. Some experience has already been acquired in this area, but nothing more. The system of the participation of Soviet partners in such enterprises is not regulated at all by any kind of legislation. Their relations with the corresponding stockholders are extremely varied and not always efficient. Our organizations, both those which manage and control, by no means always take into consideration that such companies operate in an entirely different legal environment and in an area of increased commercial risk, such as the capitalist market. Furthermore, the faulty approach to accessing their activities has developed, according to which frequently not the end economic result but individual negative components are considered, thus depriving such enterprises of the right to assume a commercial risk, which is inevitable under the conditions in which they work. Nor has the status of Soviet international managers been regulated, and for quite some time no concern has been shown for developing and maintaining their stable structure. Without solving such problems, however, it would be unrealistic to say that a truly efficient infrastructure has appeared abroad on which, in the future, Soviet industrial exports could reliably be based. Corresponding proposals are being currently considered by the State Foreign Economic Commission, the USSR State Committee for Labor and the USSR Ministry of Finance.

Such are the initial results and prospects of this new project. Soviet industry has already begun to participate in it. Foreign business as well has evolved from initial curiosity to the practical implementation of its business interests. Now it is important to move further ahead in joint entrepreneurial activities, bearing in mind both their economic possibilities and the political significance of this channel of international cooperation and trust.

#### Footnote

Such statistics, incidentally, prove the groundlessness of claims in the matter of allowing foreign partners to own

a maximum of 49 percent of the enterprise's statutory capital. In practice, in more than one half of all cases, our partners have asked for an even lower share.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

#### Production Self-Management: What Stands in the Way?

*18020018e Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 48-56*

[Article by Yevgeniy Petrovich Torkanovskiy, doctor of juridical sciences, professor, leading scientific associate, USSR Academy of Sciences Institute of Economics]

[Text] "Unfortunately, the obstruction mechanism and, in some cases, the suppression mechanism also affected a new structure, such as the Labor Collective Council. In my view, the future lies in self-management" (A. A. Melnikov, conference delegate, tuner, machine assembly body shop, Volga Automotive Manufacturing Plant).

Following the enactment of the USSR Law on the State Enterprise (Association) the task of developing production self-management moved from the area of discussions to that of practical activities. However, its implementation is hindered not only by the lack of experience but also by strongly-held prejudices. Following the familiar party decisions, naturally, no one would openly declare himself against self-management; opposition to it is assuming more refined aspects. For that reason, the main task in this area is to implement the principles and forms of production self-management, formulated at the June 1987 CPSU Central Committee Plenum and codified in the law, not formally but truly. In this area, however, many obstacles remain.

The most important advantage of the Law on the Enterprise, compared with previous legislation, is that it not simply proclaims the principle of production self-management but also determines the authorities in charge of its implementation. They include the General Assembly (Conference) and the Labor Collective Council (STK), which is the supreme authority of the labor collective in the period between assemblies. However, whereas the competence of the General Assembly and the procedure for its exercise present no difficulties, the procedure for the establishment and functioning of the STK and its relations with public organizations remain largely unclear.

Unlike any other authority set up within the labor collective, the STK is an agency for economic management, which makes final decisions, mandatory for all members of the labor collective, including the administration. In other words, it is a question of establishing an agency which, in the period between meetings (conferences) provides the "supreme authority" and exercises

the functions of the labor collective as the full owner of the enterprise and independently solves all problems related to production and social development (Article 2.3 of the Law).

This means that, for example, if the Instruments Shop would manufacture a poor tool or if substandard parts are submitted for assembling, the STK will not "raise the question" but will deal to the fullest extent with the responsible officials, including the director, and will formulate a specific decision aimed at correcting shortcomings. This also means that decisions made by the STK within the area of its competence do not require either coordination with or approval by superior authorities or administrations. The only authority with the right to revoke such decisions is the General Assembly (Conference) of the labor collective.

That is what the law stipulates. However, as has been the case in the past, hundreds of times, departmental instructions undertake to "set it right." Item eight of the standard regulation on the procedure governing the setting up and use of the production development, science and technology fund of enterprises, associations and organizations converted to full cost accounting and self-financing, for 1988-1990, stipulates that the draft accounts for expenditures out of this fund "are submitted for a discussion by the enterprise labor collective and, following its approval (by whom?) are ratified by joint decision of the administration, the labor collective council and the trade union committee...." Article 7.1 of the Law stipulates that the STK does not "approve" or "ratify" together with the administration and the trade union but makes the decision on the utilization of the fund for the development of production, science and technology. Who allowed the amending of this law? And why is it that the prosecutor's office does not react to documents which violate it? (This unfortunate occurrence is merely the beginning. As was noted at the 19th Party Conference, today the formula which restricts the rights of the STK is being duplicated in the draft Law on the Trade Unions).

The council is elected by the General Assembly (Conference) of the Labor Collective, by secret or open vote, for a term of 2 or 3 years. Any worker in that collective may be a member. The only restriction stipulated in the law is that members of the administration must not exceed 25 percent of the overall number of council members. The law provides for no other restrictions and any efforts to make the STK "fit" any other predetermined percentage ratios cannot be considered legitimate. This circumstance must be particularly emphasized, for in practice, nonetheless, efforts are being made to set strict proportions for the representation of different production subunits and social groups (workers, employees, women, young people, etc.).

Naturally, such splashes of administrative zeal are encountered today relatively rarely. Nonetheless, the freedom of election of candidates for council members is

being restricted, albeit for the best possible motivations, quite frequently. It is considered democratic, in setting up the STK, to include in it representatives of all structural subdivisions in proportion to their number. According to this logic, it should include "the big four" [respectively the heads of the administration, the party, the trade union and the Komsomol], representatives of the councils of brigade leaders, foremen, women's council and others. As a result, in a number of large associations, such councils have as many as 200 elected members!

Although the rule of representation in such councils has been observed they cannot be workers' agencies. The solution used is the following: a presidium is elected, to carry out the functions of the council, appointed not on the basis of "representation" but of practical considerations. What, one may ask, is bad about this? The result, however, as seen at the Taganrog Combine Plant, is that in a presidium consisting of seven members, only two turn out to be workers. The balance consists of those same big four, plus the head of the Labor and Wages Bureau. It is hardly necessary to prove that such a procedure for setting up a collective leadership body is by no means democratic.

A council consisting of several dozen members is elected on the basis of a slate. This is not a question of the technique but of the essence of the matter. During a meeting it is virtually impossible to discuss each candidacy separately, and to elect truly worthy and active people. Such a list is "drawn up" in the quiet of offices, so that the number of candidacies agrees with the number of positions in the council. In such a situation, all that the members of that meeting have to do is simply to raise or lower their hand. Naturally, this makes it simpler. There are neither controversies nor are unsuitable people members of the council. All that happens is that such elections are no elections whatsoever and the democratic attributes are deprived of their democratic content. Therefore, we should acknowledge not only as reasonable but also as very timely the recommendation of the State Committee for Labor and the AUCCTU that the membership of an STK be limited to 30 people.<sup>1</sup>

Nonetheless, how to set up the STK? Should we undertake to select candidates or "democratically" let matters develop by themselves? Such a false alternative suits the opponents of democracy at work. Naturally, one can and must decide in advance the membership of the STK. However, this must be done not behind closed doors but openly. The date of the meeting itself should be announced in good time, so that the people can prepare themselves for it. It would also be expedient to have more candidates than openings in the council. Nor should the nomination of new candidacies in the course of the meeting be hindered. In that case democracy would be practiced and the structure of the council would reflect the actual will of the collective.

The granting of a wide range of decision-making rights to the STK is not self-seeking but a means allowing it to perform its constructive functions in production management. Nonetheless, the STK in some enterprises has become some sort of "complaints bureau," focusing its efforts on settling housing, labor and other disputes, which should be the function of public organizations. Naturally, the council cannot remain inactive in the face of conflict situations which arise in the course of the production process (such as, for example, in relation to cost accounting claims by the shops) and in such cases must make decisions related to the moral and material incentive of the workers. The need for the council to exercise control functions is unquestionable. However, this is not its main job. Its main job is to engage in constructive activities, the collective solution of strategic problems of enterprise development, such as the plan, outlays, technical retooling, etc. Better than anyone else the labor collective is aware of its own possibilities and the ways and means for the most efficient utilization of its potential. Establishing these ways and means is the main job of STK activities.

Shop No 7 at the Frezer Plant in Moscow was unable to fulfill its monthly plan. It was short of complementing items, such as micrometric screws. Naturally, such missing parts could and should have been requested of the plant's management and the procurement workers, which is what was done. However, the council did not stop there. Two workers—members of the council—traveled to the manufacturing plant and asked for help. As a result of direct contacts between worker collectives, a couple of days later such complementing items began to arrive in such large quantities that within a short time the fitters had enough spares to last them for the rest of the year.

One may ask, what is good about it? The STK should not take over from the procurement department. Naturally, it should not. But in this specific situation it acted correctly. The collective saw that the council actively cared for the needs of the plant and was acting instead of standing idly by! It is precisely this kind of action that allows everyone to feel oneself master of the production process not in words but in action.

By performing said functions, the council becomes a kind of collective director. But then the enterprise has its own one-man director. A problem arises, which can be described most generally as that of combining democracy with professionalism. In more specific terms, it is a problem of the implementation of the principle of one-man command under circumstances of production self-management.

Actually, what role does the economic manager play in the presence of the STK? It is perfectly clear that unity in the production management system demands unity in management. So far, said unity has been preserved by assigning rights concerning the management of the enterprise and responsibility for the results of its work to the

economic manager, who was considered the representative of the state in the collective, and fully responsible to it for the observance of national interests. However, if the economic manager acts according to the principle that "production affairs are my business and I am the master in dealing with them" (as was frequently the case), there can be no place for the labor collective to act as work manager. It merely executed someone else's instructions. That is why in the new economic mechanism responsibility for the results of economic activities has been entrusted to the collective as a whole (including the administration), including managerial rights, as exercised by the STK.

As to the director, he executes the will of the labor collective and represents its interests in dealing with state authorities and not vice versa, as was the case while the administrative system prevailed. Such a switch is not a "democratic game" but a most important step on the way to converting the labor collective into the real owner of the production process. The difficulties which appeared in the past in economic management were essentially the concern of the administrative apparatus. According to a general rule, there were even efforts to conceal them from the collective, for which reason they were being discussed behind closed doors. Under the new conditions, plant problems shine in the light of glasnost. They are submitted for discussion and resolution by the labor collective. This triggers a chain reaction which is manifested in the enhanced activity of the human factor.

However, the problem should not be simplified. The economic manager neither can nor should be considered an ordinary member of the collective who, together with the other workers, shears the responsibility. Socialist self-management presumes a unique role played by competent and energetic managers and, above all, by the head manager, who is the generator of the main ideas for production development. The director must not only know what he wants but must also rely on the activeness of the labor collective and promote the standards of "corporate culture." It is only thus that in production management we have been able to combine what seemed impossible to combine: high professionalism with extensive democracy. We must not only combine them but convert a decision made on the professional level into the decision of the collective which, accepted by the workers as their own, will be carried out in an interested, creative and initiative-minded fashion.

The approval of the labor collective council excludes the making of arbitrary decisions, including those "suggested" from higher up. The director may have felt obliged to accept a decision with which he personally disagreed but this is hardly possible to do with the labor collective council. This is a manifestation of one of the most important functions of the STK: the power of the collective mind to defend the economic independence of

the enterprise and protect it from the not always competent interference of superior economic managements or party authorities. We must not underestimate the essential importance of this "protective" function in self-management.

We are familiar with numerous efforts by ministries to pick the pockets of labor collectives, with the director virtually helpless to oppose them. Today no such attempts are possible. Now it is necessary to explain to the STK why money earned by the collective is confiscated. Neither the director nor ministry personnel dare to do that. By unanimous decision of the STK, an entire section of the Rezinotekhnika Plant in Angren refused to produce defective goods due to the inability of the customer to deliver the necessary presses for the manufacturing of the item. The workers voluntarily agreed that until the situation would be corrected, they would receive only 50 percent of their wages. What director would be able to make such a decision?

Finally, the economic manager acts as the organizer of production self-management in the labor collective. An efficient system of regularly functioning self-management authorities is the political result of his activities. If this result is unsatisfactory, the level of management of the enterprise or association cannot be considered adequate. In this connection, we should be concerned by the results of a sociological survey conducted by the personnel of the CPSU Central Committee Academy of Social Sciences. According to their data, many managers reduce the enhancement of the human factor only to strengthening the discipline. Only 16 percent of managers noted the need to involve the working people in management. More than one-half of them were unable, in general, to answer the question as to the forms of participation of the working people in management. Similar data were obtained also in the survey of a group of directors, conducted by the USSR Academy of Sciences Siberian Department Institute of Economics and Organization of Industrial Production. The need to promote democracy in production was noted only by 10 percent of those surveyed. Understandably, with such a level of management training on the part of the leading personnel, the exercise of self-management functions by labor collectives is substantially hindered and the activities of the STK (particularly those chaired by the director) may be reduced to a formal approval of administrative steps.

Naturally, such an attitude toward self-management on the part of the labor collective is the result of conservatism, mental inertia and insufficient degree of training of economic managers. However, there is more. The main reason lies deeper: under the existing economic management conditions, production can be managed with no need whatsoever to involve the labor collective in this process. The possibility that a person may consider himself a good manager without implementing self-management principles in production confirms not only and, perhaps, not exclusively the inadequate level of ideological work but also the fact that the existing

economic mechanism is still far from the full application of existing production possibilities. Under the conditions of the economic competition among enterprises, self-management by the labor collective must become a necessity.

The creation of the STK has resulted in truly revolutionary changes in the system of the social organizations and autonomous authorities at enterprises. The main thing here is the drastic reduction in the number of inefficient and redundant social groups which have virtually no effect on production efficiency. Some enterprises have dozens of various social organizations, many of which perform control activities. The functions of the PDPS, the councils of brigade leaders, councils of foremen, and councils of shop chiefs duplicate each other. The same work is being done by the organizations engaged in NTO and VOIR, and so on and so forth. The growth of all possible staffs, commissions, councils, committees and bureaus is interpreted as a way of "democratization" of management whereas, in reality, all it does is generate formalism and alienate people from real action. This is universally acknowledged, but the elimination of such public agencies is taking place on the basis of that same command procedures which governed their creation and, therefore, as in the past, formalism continues to blossom.

We must, once and for all, abandon the mandatory prescriptions regulating the opening or closing of enterprises or various social entities. This problem must become the exclusive competence of the labor collective and, at the same time, broader rights must be granted to the primary party, Komsomol and trade union organizations in deciding on the expediency of setting up a variety of commissions and councils, for without this we shall not get rid of coercive "democratization."

A number of problems call for combining STK and trade union committee activities. A number of functions currently performed by the trade union authorities will inevitably be taken over by the STK. In this connection, there has even been talk of a "reduction" in the role of the trade unions. Is this the case? Is the role of the trade unions being reduced or are their functions changing? This is an essential question, directly related to the position of the trade unions in the perestroika process. Should they remain, so to say, outside perestroika phenomena, only contributing to the restructuring of others, or should they restructure themselves? This is a rhetorical but not meaningless question. So far perestroika seems to have bypassed the trade unions. Yet, they need it, for the trade unions were an organic part of the administrative-command system and not only their work methods but their functions were entirely consistent with it. Actually, they consisted of contributing to the fullest and most precisely possible execution of commands issued by superiors. That is precisely why the trade unions were officially granted all possible functions, from use of new equipment to selecting the personnel of Pioneer camps, for which precise reason the

personnel of the trade union apparat were assigned to supervise the sowing campaign or to organize the collection of scrap metal. The view that in a socialist society the trade unions must proceed from the possibility of solving social problems on the basis of upgrading public production efficiency, which is entirely accurate, was interpreted in the sense that, in this connection, the trade unions should deal with all economic affairs and mobilize the working people for the implementation of decisions made by the economic management. As a result, the trade union organizations dealt with everything, duplicating the activities of economic authorities and party organizations. The dispersal of their functions and responsibilities and their actual and legal impossibility of influencing the solution of purely production problems, on the one hand, and the formulation of such problems as being the main ones in trade union activities, on the other, lowered the efficiency of trade union work, reducing it in frequent cases to the creation of an infinite number of commissions and drafting innumerable reports. At the same time, while focusing on upgrading labor productivity, the trade unions frequently forgot the individual, the social aspect of the project and the cost of one accomplishment or another.

There have been frequent cases of trade unions sanctioning the behavior of unsubstantiated overtime and not objecting to the virtually unrestrained increase in the number of "black Saturdays." The maximal rates for the distribution of profits for 1988-1990, applicable to a number of enterprises, put numerous labor collectives in a situation in which they will have to work more and earn less. Objections were voiced by enterprise directors and STK but the voice of the trade unions was not heard. I am unaware of even a single case in which the trade union may have taken up the defense of the labor collective against an arbitrary ministerial decision.

The quality changes taking place in the production management system must inevitably lead not only to a restructuring in the methods and style of trade union work but also to a substantial change in the role and functions of the trade unions. The latter must focus on the holy of holies of trade union activities: concern for the social and cultural needs of the labor collective and its working and living conditions and the recreation and rest of its members. Such work must encompass not only the collective as a whole but each separate social group (such as the elderly, people working under conditions dangerous to their health, student youth, etc.), everyone, for the interests of the individual social groups and the interests of individual workers may not coincide with those of the collective as a whole (in the case of personnel reductions, for instance). Thus, if every enterprise worker is confident that his interests are not a matter of indifference of the trade union and that the trade union is concerned not with the collective in general but with himself personally, it will become possible to believe that the trade union has indeed found its place in perestroika and is performing its assignments. Concern for the person is one of the most important components of the

enhancement of the human factor. By implementing it, the trade union would have an immeasurably greater influence on accelerating the country's socioeconomic development than by continuing in its present role.

This path has been taken by a number of enterprises. At the Kriogenmash NPO, for example, a special document has been approved: "Procedure for Interaction Between the Labor Collective Council and the Trade Union Committee on the Implementation of the USSR Law on Labor Collectives, the Trade Union Status and the USSR Law on the State Enterprise (Association)." The document specifies in the greatest possible detail the functions of the STK, the Labor Collective Conference and the Trade Union Committee. They do not intersect. Whereas the first two consider and ratify the production plan, hear reports and evaluate the activities of economic managers and consider and approve the organizational structure, determine areas of expenditure of enterprise funds, etc., the trade union deals with problems of labor safety, organizing the recreation and rest of the working people, nutrition, trade, medical services, etc.

This is not to say that no problems exist or that there are no projects which require the joint work of the STK and the trade union committee. Thus, preparations for general meetings or labor collective conferences should be made by the STK. However, the trade union committee should not stand aside in such most important projects. Labor norming is also part of the duties of the STK. However, since it is related to labor conditions and intensiveness, in this case the trade union cannot remain a passive observer. In other words, the solution of many seemingly purely production matters has its "trade union" aspect which requires the active intervention of the trade union committee.

Therefore, it is a question not of limiting the rights of the enterprise trade union committee but of changing the set of its rights in accordance with changes in its functions. Some trade union rights are being transferred to the STK and others are being strengthened. In particular, the trade union must act as a counterweight to technocratic trends, which may occur in all production management agencies, including the STK. To this effect, the trade unions must be given the right to block decisions made without their knowledge or consent (including by the STK) affecting wages, labor and recreation, housing or any other social problem.

We believe that conversion to production self-management assigns new tasks to the party organizations as well. Under the new economic management conditions, we need not simply performers but creative workers. A mass promotion of competent managers, imbued with a spirit of innovation and capable of heading perestroika in the work of each national economic unit, is necessary. Correspondingly, the conditions for cadre selection today are changing as well: they are not appointed but most of them are elected by the labor collectives. This means that

preparing for and organizing the election of members of the STK and economic managers are becoming some of the most important tasks of the party committees.

We believe that, for the time being, it cannot be said that they are successfully coping with this task. A number of economic and party managers do not accept the idea of electiveness, identifying democracy with slackness and permissiveness. A negative attitude toward elections has been supported through a great variety of methods. Surreptitiously the claim is promoted that the collectives "are not as yet mature" for elections; ignoring the facts, it is claimed that they are electing "unsuitable" managers, etc. In this connection, the postulates promoted by the apparat personnel, with the best intentions and "for the benefit of the cause," and use of pressure force unsuitable candidates to withdraw their candidacies. The sacramental formula that "it is believed," is still governing the choice of cadres.

Nor should we ignore the matter of open or secret balloting. As we know, the law lets the labor collective decide this matter. However, this is not to say that both means of voting are equal from the viewpoint of democratic procedures. Naturally, we must not exclude a situation in which an open vote is preferable to a secret one. Such a situation, however, is an exception to the general rule according to which secret balloting (which, incidentally, is an intrinsic attribute of democratic elections, whatever the political system) characterizes the degree of democratization in decision making and not only there: at the RAF, for instance, the STK makes some of its decisions by secret vote. Nonetheless, some mass information media stubbornly describe open voting as being "truly democratic."

What explains the fact that in frequent cases the members of the labor collective unanimously favor open elections? In the majority of cases, this is not the result of any kind of essential considerations but the belief that everything has already been "worked out" by superiors and that nothing can be changed. If such is the case, why waste their time?

It must be loudly proclaimed that the management insists on open voting and on having the number of candidates fit the number of seats in the council whenever the candidates do not enjoy sufficient support in the collective. Essentially it is a question of favoritism dressed in democratic clothing. Such was the case at the Khodorov Printing Presses Plant. The size of the council—21 members—was determined at the conference by open vote. The decision was made to hold a secret vote and to include in the list not 21 but 26 candidacies. Five candidates who were not elected to the council turned out to include the plant director and the party bureau secretary. This could hardly be considered a catastrophe, but does make one think. The question, however, was solved simply: the director was made the 22nd member of the council by open vote.... According to the press,

approximately 1.5 percent of the more than 36,000 economic managers elected in industry and construction in 1987 were elected on a truly democratic basis.

Nonetheless, practical experience unequivocally confirms that wherever elections are conducted knowledgeably and democratic procedures are observed, the elected candidates prove to be worthy people who, literally from their very first steps, are able to mobilize the labor collectives to solve production and social problems. Fears that the people would elect "unsuitable" candidates have proved to be groundless. The collectives have refused to vote for "suitable" managers. They have proved to be sufficiently mature to realize that it is possible to organize production and achieve high end results only if they are led by an exigent and competent organizer. Furthermore, practical experience has indicated that labor collectives energetically insist on the replacement of insufficiently exigent or insufficiently competent managers. The collective of the ATE-1 Plant, which was considered for many years the flag bearer of its sector, demanded that a director be elected. The old director was defeated and a new one was elected. Asked by a MOSKOVSKAYA PRAVDA correspondent "What do you expect of the future director?" the answers were amazingly similar: decisive action, strictness toward loafers and careless workers, and concern and encouragement for those who deserve it. How does all of this "tie in" with having a "suitable" director?

Ignoring the facts, what is the origin of the view that the collectives are "not ready for elections?" Their readiness is determined apparently by the extent to which the will of the collective coincides with the opinion of the member of the apparat: if the collective has not chosen the recommended person, it means that "it is not mature!" It must be stipulated quite unequivocally that it is not the raykom instructor but economics that should be the judge of a director. The end work results are the objective assessment of the activities of a manager and such an assessment must be made by the labor collective itself.

Electoral practices have also encountered a situation in which "there is no candidate" for elections. This is an essential problem and cannot be ignored, for shifting a person from one position to another may be adequate only in terms of the official report that cadres have been replaced whereas, in fact, this is a recurrence of stagnation. It has been proved that in frequent cases a reserve of economic managers exists only on paper, and that individuals included in this reserve frequently enjoy no authority in the collective. The scarcity of candidates has led to the appearance of candidacies the electoral changes of which are very insignificant but which create the appearance that a competitive election was held. In order for the elections to be real and that indeed the best managers are chosen, an open and systematic development of a reserve is needed. Obviously, methods must be formulated for the choice of a reserve while enterprise cadre workers must be trained how to use them.



M.S. Gorbachev's report to the 19th Party Conference includes the following statement: "We consider socialism a system of true popular rule.... It is a society of socialist self-government by the people, of profound and consistent democracy in economic management, social processes, legality, openness and glasnost." An inseparable component of such a society is production self-management, in which the democratization of society and the radical economic reform blend completely. It is not astounding, therefore, that it is precisely in this case that the effect of the obstruction mechanism is manifested particularly strongly. Therefore, it is precisely in this area that the efforts of the party organizations must be concentrated in surmounting it.

#### Footnote

1. The "Recommendations On the Procedure for Electing Labor Collective Councils and Holding Elections For Managers and Competitions For Replacing Specialists in State Enterprises (Associations)," drafted by the State Committee for Labor and the AUCCTU, have been criticized by some authors. They have not liked some concepts included in that document. Well, anyone has the right to his own opinion. What we fail to understand, however, is why is it that the recommendation is interpreted as infringing on the rights of labor collectives? The fact is ignored that this document, which includes an albeit minor effort at holding elections has put an end to persistent "telephone recommendations" issued by individual party and trade union officials, recommendations which truly emasculated the democratic nature of the Law on the Enterprise.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

**Notes on Problems of Radical Economic Reform**  
18020018f Moscow KOMMUNIST in Russian No 12,  
Aug 88 (signed to press 5 Aug 88) pp 57-59

[Article by A. Nouv]

[Text] A. Nouv, the noted British economist, is known for his works on pointed problems of the socioeconomic development of both capitalist and socialist countries. His book "*Economic History of the USSR*" is considered one of the most serious works on Soviet economics written in the West. Following is material sent by A. Nouv to KOMMUNIST.

Initially, a number of people disbelieved and some Western observers even failed to see the possibility of radical economic reform. Naturally, partial reforms were not ignored, for quite a number of them had been made in the past as well. The 27th Party Congress weakened this view, but not in everyone's mind. There are those who still believe that all of these are cosmetic changes, the purpose of which is to fool naive Westerners. Supporters of this approach, however, are becoming increasingly few.

Personally, I have long believed that a radical reform would be inevitable. My first article on this topic was published 30 years ago. Fortunately, the time has finally come and radical change is on the agenda. The tempestuous development of glasnost, the major and pleasing changes in the area of culture, the lively and interesting debates on reform and sharp criticism of the existing order (or, rather, disorder) are reasons for optimism.

Nonetheless, so far little has changed in economic practice. Why? To what extent could this be explained by the inevitable difficulties of the transitional period? Or else is the model of the reform itself "the culprit?"

Let me point out several problems which to me, as a specialist who has studied for many years both the capitalist and the socialist economy, have seemed the most difficult and requiring the special attention of the economic scientists and practical workers engaged in economic perestroika.

Let us assume that a trade in means of production has been organized, a price reform has been made, the enterprises have converted to full cost accounting and self-support, there are no longer any mandatory plans "issued from above" in terms of rubles and tons, and the enterprises determine their own variety of output (based on contracts with consumers or commercial middlemen) and choose their own partners and suppliers. The central authorities deal with strategy, technical policy, major capital investments, and formulation of the "rules of the game," within which the enterprises, in pursuit of their own advantages, will work in the interest of society. What could be the nature of uncertainties, gaps and contradictions within such a prospect? In my view, they are several.

Let me make a minor theoretical aside. Western economic thinking contains a large blank spot. Clear competition is considered ideal. As early as the 1960s G. Richardson (G.V. Richardson, "*Information and Investment*," Oxford, 1960) noted that such a model leaves unclear the way in which investment decisions can be made. In simple terms, his arguments could be reduced to the following: if demand for any commodity increases, prices rise as well. It may appear that it would be desirable and profitable to expand production capacities. If the same item is produced by 20 enterprises and all of them decide to make such an investment, losses are inevitable. Possibly all of them may refuse to make such an investment.

In real life, however, such decisions are made under "unclean" conditions of competition, in violation of the so-called ideal: the absence of total information (someone knows something which others do not), different levels of monopoly, long-term agreements with major consumers, conspiracy among competitors and



state intervention. Such violations of the model of perfect competition cannot be described as "imperfections," as interpreted by orthodox Western theory. They are absolutely necessary and objectively determined.

Many of the most difficult problems of the radical reform are related to the formulation of new methods for controlling capital investments. To the best of my understanding, it is assumed that enterprises will finance most of the investments from their own profits and use repayable bank loans. However, the increasingly urgent need for capital investments may be felt by other sectors and other enterprises, whereas at that particular enterprise increasing output may not make any sense. How would a redistribution of funds take place? Would it be through the banking system? Would it be by one enterprise investing capital in another? Would it be by purchasing bonds? In this area a number of complex practical problems must be solved. Belief that the difficulties appearing in this area can be easily settled with the development of the market in capital and the free play of forces is groundless. Additional information is needed if efficient investment decisions are to be made. It is obvious that there can be no precise forecasting of the future. However, we must limit the extent of uncertainty by avoiding a refusal of advantageous projects, on the one hand, and developing duplicating production capacities, on the other. Naturally, the freedom of action of enterprises must be expanded and the role of centralized investments, increased. In more recent Soviet economic publications, in my view, the danger of simplification is still being felt, for even the most "efficient" prices and related present profitability do not provide us with adequate information about the future and the reaction of competitors, suppliers and consumers. Yet capital investments are most directly related to future developments.

Here is another problem closely related to the preceding one: with full cost accounting the wage level will directly depend on the financial situation of the enterprise. However, market operations involve a risk, and any enterprise could (whatever the system) find itself in a difficult situation for reasons independent of the workers. Labor productivity may even increase while market circumstances worsen, a competitor may offer a better design or, finally, an error was made several years ago in making an investment decision. Who should suffer from the consequences? The workers may be innocent. In my view, electing managers is by no means always a sufficient reason for "penalizing" workers at large enterprises (it is a different matter if it is a question of small cooperatives or workshops). The director himself may have been uninvolved in the initial decision of those who created or expanded that same enterprise.

In my view, a more profound answer must be given also to the following question: What should be decided on the enterprise level? Let me explain this with an example. Let us consider the American and British chemical industry. Major corporations dominate: DuPont and

Imperial Chemical Industries. They include numerous plants corresponding to Soviet enterprises. The functions of the directors of such plants are strictly limited and their position is quite similar to that of directors subordinate to Soviet industrial ministries. Obviously, this is explained not in terms of the scale of output itself (for the number of plants is large) but the complexity of interrelationships and information flows, as well as links with scientific research. Some Soviet authors are showing a trend toward simplification: the enterprise is in all cases considered the main cell in which virtually all decisions must be made. A certain formula is being sought according to which anything that is good for society will be good for the enterprise. However, if DuPont, the American company, had been able to find such a "magic stone," it would have been able to save a great deal of its administrative costs. In real life, there are frequent cases in which the interests of the parts do not coincide nor could coincide with the interests of the whole. This, precisely, is the main explanation for the existence of a hierarchy in economic life and in life in general. There are differences in interests and in access to information (in some cases it is indeed true that an "overview" is clearer).

There are sectors in which many decisions must be made on a higher level than the enterprise or even the association. The electric power system is a single entity (and the effort of Mrs. Thatcher's cabinet to break it up into competing parts is an example of the fact that ideological blindness may be seen in our country as well!). In my view, ferrous metallurgy and the chemical and petroleum industries require an entirely different approach than, shall we say, light industry or many machine-building subsectors where maximal flexibility and well organized feedback (from consumer to producer) are necessary. Naturally, no one bluntly denies that the various sectors presume different approaches and that the optimal structure for the natural gas industry would not be acceptable in haberdashery or instrument manufacturing. It seems to me, however, that such differences are still frequently underestimated in the discussion in the Soviet press on problems of the economic reform.

Frequently and accurately the harm of monopolies is mentioned. I agree that competition and the choice of the consumer are quite desirable, although we should not ignore the fact that there are sectors in which competition is either impossible or harmful such as, for example, that same electric grid or urban public transport. The dominant position of the big Western corporations is weakened by the effect of potential competition. Unlike a state monopoly, a private monopoly company is not protected by the law and knows that if it abuses its monopoly status, competitions may appear. In my view, means of ensuring a real threat of competition must be found in a socialist economy as well.

The problem of prices is particularly relevant in the transitional period. In this case taking into consideration the role of the consumer value, the role of the consumer

and supply and demand are of great importance. It is important to avoid the old errors according to which the quantity of labor (as a base of cost and price) was considered by Soviet publications separately from end results. It is clear that with the current prices full cost accounting can "live" on paper only, for, so far, profitability is totally unrelated either to the extent to which demand remains unsatisfied or to the consumer value of a given commodity. It is not astounding that in such a situation plans, concealed as state orders, continue to be "dropped" from above.

A great deal is being openly written in the Soviet press about the existence of forces which oppose the reform which threatens their power, functions and privileges. Objective obstacles as well exist on the transitional way to new economic management methods: ignorance, lack of custom, absence of necessary training. For example, many directors have long forgotten (assuming that they ever knew) how independently to find a way to market their goods. It is not easy to train cadres to work in a new style.

It is still too early to evaluate the course of the radical reform and many problems and difficulties exist. However, there is no other way and there is nowhere to retreat. I have faith in the positive outcome of the initiated changes.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988

### **Dogmatism of Theory Means Lack of Responsibility; Philosophy and Some Lessons From the Past**

*18020018g Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 60-72*

[Article by Viktor Vasilyevich Ilin, senior scientific associate, Moscow State University Philosophy Department, candidate of philosophical sciences, and Aleksandr Yevgenyevich Razumov, consultant, department of philosophy and scientific communism, KOMMUNIST]

[Text] What is human in man is not created separately by thinking and acting. Action without thought is blind; thought without action is impractical. It is only jointly that they express the nature of man as a reasonable being. Intelligent action and active thinking are precisely the most essential features of man.

Therefore, in terms of profound theoretical and philosophical substantiations, the problem is very clear: it is a question of the essential unity between knowledge and practice, without which there can be no substantiation and justification of a political line or historical action. This makes clear the initial philosophical imperative which dictates the need for such unity in any responsible and socially significant undertaking. What is not entirely

understood is something else: Why is this concept largely ignored in our sociocultural coordinates although, it would seem, the necessary prerequisites to this effect exist.

Numerous reasons exist for disparities between words and actions, involving the entire set of possible reciprocal influences and reciprocal assumptions. Whatever the reasons, however, the result is one: most grave deformations which entail a variety of forms of alienation, pitting ideology against politics, knowledge against activity, plan against implementation, intention against action, and ideal against reality and, as a consequence, various distorted forms of theoretical awareness and practical action. Let us note the most essential among them.

**Dogmatism.** Dogmatism is based on authoritarianism, on a monopoly on world outlook and world perception. Since these things are alien to nature, which is an essentially flexible and democratic institution, their understanding presumes the study of peripheral science: a search for the sources of dogmatism is impossible without taking into consideration a number of external factors which influence science and a certain development of circumstances which create dogmatism.

The struggle among parties in the field of philosophy is inevitable in a class society. Therefore, the question of the scientific nature of philosophy cannot be answered without assessing the adequacy of ideological concepts, i.e., the extent to which they reflect the real state of affairs, and the extent to which they are consistent with the requirements of our time. It is already obvious today that the philosophical theory of the period of the cult of personality and the period of stagnation was dominated by ideological conservatism and authoritarianism. Society was experiencing the types of forms of development which did not presume any philosophical reflection or philosophical criticism of one's social experience.

The ideological foundation of this phenomenon is the rejection of a variant way of thinking which, initially, was explained by the features of building socialism in a single country with a hostile surrounding. Any kind of departure from the "general" line was considered a deviation, for "he who is not with us is against us." This type of thought and action, if justified at all (after a thorough assessment of circumstances), is applicable only for a limited historical time; in any case, it cannot be the standard. However, changes in the situation did not entail changes in practice or ideology. The largely ritual nature of democracy, and the lack of glasnost and criticism, combined with the concept of a monolithic behavior, turned to a monopoly, to an uncontrolled, and mandatory nature of personal views. This led to a loss of faith in the worth of one's own views and the predetermined nature or, better, the devastation of theory, and the indiscriminate empty talk as a form of creative helplessness.

Related to dogmatism is **axiomatism**, the typical feature of which is the double aspiration of avoiding the problematizing of general truths and seeking answers to specific questions in their direct (truthful) logical development. This is not a careful and guarded attitude toward truth but ignoring its specific historical status and unjustified exaggeration, extending it beyond the range of actual applicability. The result is replacing truth, and the truth of process, with a set of banalities which have long been proved.

The only possible conclusion is that of the need "to take into consideration actual life, the precise facts of **reality**, instead of continuing to cling to the theory of yesterday" (V.I. Lenin "*Poln. Sobr. Soch.*" [Complete Collected Works] vol 31, p 134).

The task or, more accurately, the duty of Marxist philosophers is to reject meaningless quotation-mongering, moldy instructions, peremptoriness and ideological boastfulness and make a radical turn toward life. Life and true reality in its fullness and richness, are the final and supreme objects of philosophy.

Having mentioned dogmatism and axiomatism, let us mention hare-brained **utopianism**, which is a variety of an unrealistic awareness which does not agree with reality. Utopianism stems from the inorganic, the biased evaluation of reality, which distorts the logic of life. By converting from a predetermined ideal to reality, it destroys, partially or completely, existing procedures, trying immediately to combine empiricism (the level reached in social relations and practical experience) with empyreanism (the proclaimed ideal). The trouble and fault of utopian romanticism are found in premature efforts to change reality. A theory which is guided exclusively by predetermined ideals is, naturally, doomed to failure. In this respect, the ideological outcome of utopias, in all their aspects, is obvious. The practical aspect of this matter, however, is of great importance.

As a sobering up occurs, and as the utopian lack of implementation is abandoned, a demoralization appears: faithlessness in the expediency, in the possibility of engaging in active transforming efforts in a direction indicated by theory. It is thus that the premature "seeding" of an ideal for the immediate future boomerangs into losses which are difficult to correct in the long term and are related to the discrediting of an ideal; utopia "insults" the ideal as a result of unprepared actions. This explains why utopia does not bring closer but distances the objective to which we aspire.

**Loss of the Heuristic Principle. Scholasticism.** As we know, history offers alternatives and many variants. It is multi-dimensional and this multi-dimensionality is manifested in a number of objective trends of potential development, a multiplicity of means of achieving set targets. It is necessary to participate in the making of history. However, interfering with history is a grave

matter. It is the gravest possible! Nothing can be achieved without a comprehensive theoretical substantiation and moral evaluation of decisions in favor of one alternative or another. Unfortunately, the lack of scientific support for choices is an actual fact which we encounter in the practices of building a socialist society.

Naturally, history cannot be relived. Nonetheless, it is worth thinking: Could the past have developed differently; was what we did inevitable? Naturally, it is hard to consider this in terms of the past. Any distraction from what happened, which suppresses us with its reality, may be charged with fictitiousness. Nonetheless, we have the right to identify other possibilities existing within a situation. The fact is that no fatality existed in the course of building socialism in the USSR. History is also the history of lost opportunities, of lost chances. This is confirmed by the monstrous price which the people paid for the errors and crimes of the Stalinist leadership.

We gradually found ourselves in the area of serious and growing difficulties, for in fact we followed increasingly less the principle of consistency between words and actions. The result was the gravest possible devaluation of theory, mistrust in the responsible power of the word. Words lost their radical nature and the ability to understand the roots of things. It was as though awareness was on the surface, stopping at the first obstacle and losing its intention of reaching the foundations. In speaking of the various negative aspects of our community life (decline of mores, unearned income, indifference to politics, etc.), philosophers did not compare them with the profound social processes. They did not link the parts which lay on the surface with the nature of the whole.

This is confirmed by the present, by the period of revolutionary renovation of reality, when theory finds itself lagging behind historical changes. Hasty decisions had to be made to assert the need for social change. The impetus was provided not by a program but by the objective situation, characterized by extreme tension and urgency.

Absorbed by the struggle for internal perfection, theory proved hermetically sealed and unrelated to reality. Its form prevailed over its content, which led to a worsening of the latter. The meaningless exercises of theoreticians, which did not trigger optimism, led to a sociopolitical crisis in theory and to a drastic lowering of the interest shown by the thinking intelligentsia in problems of philosophy, sociology and the social sciences as a whole and, correspondingly, of the confidence in it on the part of "practical people."

When statements are based on statements and not on facts, theory loses not only a feeling of reality but also a feel for the new. The spirit of quest becomes unnecessary to it.

Let us consider philosophy. The following question is legitimate: If the situation was so unattractive, could we speak, in general, that in terms of its fundamental and active quality, it is an "age captured by the mind," of a self-awareness of the age? Such "self-awareness" is nothing other than a critical revision of past and present historical sociocultural experience which, however, was substantially distorted by an aberrant ideological outlook. Actually, neither the real history of our society nor historical memory or else the repeatedly rewritten history can be understood today outside of their subconscious distortions and deliberate falsifications. Under such circumstances could philosophical thinking remain clear and should we seek in philosophy the origin of the faults? The answer does not fit in a simple "yes" or "no."

The heroes of the Marxist philosophical battles of the 1920s, the "dialecticians" and "mechanicists," whatever view we have on them today, had the unquestionable merit that they were individually recognizable and that their actions were not different from their words or their printed word with the thoughts of the authors.

If anyone today, displaying an unlimited reserve of curiosity, undertakes to trace, on the basis of published works, the creative career of the majority of those who followed them (whether "rank-and-file" philosophers or individuals who, for one reason or another, reached in philosophy the rank of "general") he would rarely find traces of any serious, any independent dynamics of the mind, not influenced by political and ideological sanctions, although revisions of views could be quite radical. Such a "undogmatic" dogmatism is an accurate symptom of the disappearance of theoretical philosophy, replaced by ideological clichés.

For that reason, the researcher must unravel the difficult puzzle: Was the social demagoguery contained in the works the consequence of a specifically organized awareness or a "lucky" coincidence between internal convictions and external coercions, or was it the result of "realizing the demands of the time," or else again shameless careerism. Or is it that we are dealing with an allegory, an effort to express something personal and important but strongly reminding of the final speech of the character in Jonesco's *"The Chairs,"* a classical work of the so-called "theater of the absurd."

Nonetheless, one should not think that the large army of philosophical workers consisted mostly of ignoramuses or turncoats. Although the "dark traces" of the social tragedies which took place at different times absorbed forever many of the small circle of original and talented scientists, time preserved some of them; standing out against the general background, we see silhouettes on different scales or even entirely three-dimensional figures. However, we must make a distinction between the question of the existence of interesting philosophical works and the question of were they essential features of a general theoretical philosophical movement? Unfortunately, they were not, for all significant philosophical

studies were consequences of a personal initiative, so to say, and not a social instruction and, therefore, could not clearly define the basic trends of philosophical development. We cannot name them at this point without displaying personal sympathies and subjective biases. Naturally, philosophical thinking, pushed into the depths of the individual minds, never stopped. However, it is equally true that the fruit colored with all the hues of daylight could not mature in its concealed niche.

The social upsurge which followed the 20th CPSU Congress itself was not sufficiently strong to trigger irreversible changes in philosophy, which could ensure its steady ascent to the highest watermark (and beyond it) in global philosophical thinking. Although some development took place it too cannot be assessed in simple terms.

There are those who would indicate, first of all, the preserved high standards of Marxist historical-philosophical research; others will point out the active mastery of contemporary world philosophy over the past 30 years; others again, will speak of adding to traditional philosophical systems the problems of alienation, humanism, ethics, esthetics and the philosophical development of a set of global contemporary problems; there will be those who will speak of the introduction within philosophical analysis of the precise means of symbolic logic, the methodological assimilation of the ideas of the natural and technical sciences and the development of systems analysis; or else the accomplishments of logical-dialectical thinking and the assertion of the active approach to the theory of knowledge; others, finally, would probably mention something else. These and other lines of development in philosophy indeed took place and prepared grounds for its possible quality changes.

Certain stipulations are necessary, however, in each and all of these cases. For example, in no single area were there works which could be compared to the classical models or which substantially fructified other developments. Furthermore, the "supporters" of the one were by no means able to read the "texts" of their philosophical relative, which was not only the consequence of a general scientific trend toward the differentiation of knowledge but of the extremely poorly organized training and further professional development. Yet, although the development of philosophical trends is reminding of monadology, we should not demand of them any kind of major theoretical breakthroughs. One way or another, all said positive aspects affected to an extremely small extent the nucleus of philosophy: the sociopolitical doctrine and the theory of cultural-historical practice, for which reason we cannot speak of any kind of serious progress in philosophy.

That part of philosophy was precisely above all integrated not in the best variant of ideology, producing ways of thinking and shaping some of its stereotypes which, one way or another, affected the majority of areas

of the science of philosophy. It was virtually unquestionable that "Marxist-Leninist theory," "scientific political ideology" and "scientific world outlook" were synonymous. In practice, this led to a rigid control over the development of essentially social and universal conceptual problems. Any deviations from ideological theses were naturally easily established by virtue of the fact that the theses themselves had been reduced to several canonical formulas and standard substantiations. Yet ideology, as an intellectual formation, cannot be identical to scientific theory, for it is based on different structural principles, pursues different objectives and solves different problems. It can be scientific only with the necessary yet insufficient prerequisite that it chooses its own assertions among the system of existing scientific conceptual ideas, from which it draws arguments to justify specific directives for social action. This might and might not be the case. A great deal depends on the extent to which philosophical theory is adequately represented in ideology and the extent to which real practice is found in philosophical theory.

In an ideological system, the interests of social groups (not necessarily those in which ideology finds a social base) are manifested with the active participation of sociophilosophical doctrines. Furthermore, this "ties" such doctrines to a place and a time according to the manner in which such interests are "understood" in terms of systems of economics, politics, law and power. That is why important philosophical premises and conclusions could be subjected to reinterpretation, pushed aside, ignored, and so on. Conversely, nonessential or even conflicting views may be formulated as most important political slogans. We should not think that this is the exclusive fatal fault of ideology. Ideology frequently anticipates philosophical theory, intercepting the progressive trends of social awareness which has still not acquired a clear philosophical shape. At that point it stimulates productive philosophical work as is the case with the current situation. However, it could partially or totally suppress philosophy as occurred during the period of the cult of personality. For example, despite its obvious incompatibility with economic realities, common sense and the theoretical understanding of the forms and nature of the scientific law, the "basic economic law of socialism," promoted by Stalin, not only dictated the way of development of the science of economics but also outlined the problem areas of social philosophy, the quest for the "basic contradiction," a vision of the country's history, etc.

The thus ideologized philosophy assumed a largely illusory form of existence, perhaps for the fact alone, as some people have noted today, that it abandoned its basic classical problems of knowledge, morality and faith, with were raised by the author of "*Critique of Pure Reason*" himself: "What can I know?" "What must I do?" "What do I dare hope?" Ideology gave the answers. These answers were prepared, and definitive: I can know everything, and matter, from the subquarks to man, can

be studied without any particular philosophical difficulty; true morality is exhausted with class awareness as presented in the work of the main ideologues; there is no need to believe in anything, for accurate knowledge exists which, it is true, should be supplemented with conviction. The philosophers were asked only to confirm the accuracy of these concepts.

It is thus that the main ways leading to a possible formulation of problems of philosophical knowledge proved to be ideologically blocked. In particular, it was believed that even doubting the fact that the contemporary condition and the historical course of knowledge can be exhaustively described with the help of a scientific system of knowledge consistent with all theoretical standards, was beyond the range of true philosophy.

The question of how knowledge is possible was all too frequently replaced by numerous substantiations; the "theory of dialectical materialism" replaced the possibility of dialectical logic. Dialectical logic has a profound meaning and allows a variety of solutions, including a dialectical-materialistic one, while substantiations were frequently not thought out. This was even not because dialectical materialism—the theory itself and the theory of the ultimate theory—are something entirely new. The only way to indicate how logically to structure dialectics and dialectical logic is by structuring it. It is true that in order to accomplish this we must follow the development of philosophical categories in their historical, logical, sequential and meaningful progress toward the truth, for which we must process a tremendous volume of sociocultural data which, naturally, is much more complex than simply to refine, correlate and "twist" categories (let us parenthetically note, to the point of laying the figure eight on its side, which, in this case, is a symbol of infinity, of a tireless and sterile quest). In all other cases, however attractive the program may have seemed, the very possibility of the existence of such a "Logic" (with a capital letter) remains problematical. As Lenin profoundly remarked, Marx left us the dialectical logic of "*Das Kapital*", but despite its entire importance, it still does not represent the Logic we are looking for. To this day no one has been able to create it. This includes individual outstanding philosophers, and groups of authors, although numerous works were written for which no one knows who should receive royalties, whether the authors or the Marxist classics. Should we take this fact into consideration? What kind of logic could there be when there is no clarity and agreement concerning any one of its categories or suggested rules!

Nor did the debates on whether or not there is a Marxist ontology (the theory of objective dialectics is a separate area) or whether ontology coincides with the theory of knowledge (subjective dialectics) had any theoretical consequences. Many people found and to this day find a depth in such a formulation of the question, as allegedly determining the strategy of philosophical development. It seems to us that it had no tangible consequences for the simple reason that it could not have any, for it was

essentially reduced to semantic searching in the area of a limited set of quotations from the works of Lenin and Engels. Dialectics, logic and theory of knowledge: wherever "these three words were not needed," many thousands of words were written.

Sometimes it is senseless to argue about the accuracy of the initial premises; all that is needed is to develop them, thus proving their fruitfulness or futility. If it is a question of the already extant and "established" theory, all problems related to its structure are reduced to a specific analysis, to the following, in this case: Could all possible ontological claims (claims of the existence of objects, ties and relations) be presented as methodological, as cognitive concepts, and vice versa? If yes, there is no independent ontology; in this sense there is no distinction between gnosiology and ontology and the question may be considered closed. If no, and if it turns out that nonphilosophical, scientific methods are essentially insufficient, one should structure a theory using special philosophical concepts, a theory which would assert and analyze the existence of different objective structures on different standards and with different degrees of complexity: material and ideal, natural and social. To the best of our knowledge, no one has set himself such an objective in domestic philosophy. Nonetheless, a number of general considerations were expressed on how different dialectics is, taken as logic and as theory, and an equal number of attempts were made to present one or another aspect of the natural sciences as ontological.

Particularly unsuccessful was the study of the philosophical "man." It is as though he existed in two varieties: as an active representative of gnosiology who, sometimes, it is true, dropped to the role of a simple mirror of objective laws, and as a strange representative of orthodox ideology.

Let us begin with the fact that Marx's famous sixth thesis on Feuerbach, which could be translated and understood differently, turned out interpreted in a way most disadvantageous to "man." On this account, Marx explains his entire historical materialism without claiming anything other than the nature of man is not an abstract which could be ascribed to an individual, a person isolated from society, and that the human being (the individual) is rooted in the social relations he creates and exists, "intertwined" in the economic, sociopolitical, and cultural-ideological relations existing among large social groups related to the social division of labor and that, consequently, the human essence, the essence of the **human**, cannot be understood without analyzing historically alternating forms (laws) of group human activities—the relations we mentioned. Naturally, it does not follow in the least from this that we should limit ourselves to such an analysis and that there is no "nature of man" other than social, and that such relations cover man's entire social nature and that laws of practical dynamics, common to all history, do not exist.

Nonetheless, this profound and entirely clear idea began gradually to be interpreted as though the nature of the human species should be sought in its history and that the essence of you, the reader, and of us, the authors (the philosophical essence) should be found in the specific content of will and awareness independent of you or us of material and ideological (which, as we now say, "accumulate") relations in which (or, more precisely, alongside with which) all of us have the honor of surviving.

Some hotheads no longer feel the difference between man and his essence and daringly claim that man himself in his reality is a combination, a sum of all social relations which, depending on his nature, can either maim and distort man or else develop endlessly. Such claims are by no means made infrequently in the works and speeches of our specialists.

Naturally, it is unclear how in the initial "combinations," nice people appear, and even people like Raphael and Marx and, in the second, a large number of rather disgusting individuals. This may be a historical trick, possible with the connivance (of a totally independent) base or the result of an unfinished (relatively independent) superstructure? It is logical to assume, nonetheless, that in the latter case we are dealing with the remote consequences of such theories.

Therefore, our essence is something **internal**, stable, remaining within us whatever the changes; that which makes us what we are and not different, that which distinguishes Peter from Jacob and, the two of them from an animal and, it turns out, which is part of some common **external** sum, common to both. What is this? Is it a dialectics inaccessible to a simple common sense or a variety of professional thoughtlessness?

The question may seem rhetorical to those who have not hopelessly become confused in dialectics and retained their skill in the area of verbal tightrope-walking. However, not everything is all that simple. Such views fit all too well the ideology of the notorious "cog" to be interpreted as a simple error made by the theoreticians. It is very suspicious that such views are correlated with a despotic dictatorship and are thoughtless and irresponsible, in terms of history, and with the occasionally criminal existence of many political and economic leaders of the recent past, headed by the necessarily accidental Brezhnev. In both cases man had to be presented as a simple agent of external forces, which was convenient for dictating while not being answerable for anything.

Therefore, it is not a question of an arbitrary-vulgar interpretation of a concept. Official ideology has learned that people themselves make their own history and change relations which have been established not by their own free will but have been inherited from the past. It not only stated but "theoretically forgot" that man is deeper and richer than any relationship he has created. There is nothing astounding in the claim that man is

more complex than society (so far science does not know of anything more complex than the human brain) and that in all likelihood man is more intelligent and moral than a society which is ready to liquidate itself.

We have confused these concepts in both theory and practice. It is not man who is the servant of the social system, not to mention the servant of its servants—states and governments. It is the system, with all of its “subsystems,” such as economics, politics, departments and offices, that must be the servant of man, which does not relieve in any extent either Peter of Jacob of the obligation to take the public interest into consideration. We say a great deal of different words on the subject of man. We assume that we compliment him when, without really thinking about the meaning of the words we use, we describe him as the “basic element of production forces,” or the “decisive, the main factor of progress.” We must remember, however, that as we drew on the banners of socialism the portrait of the “comprehensively developed individual,” all we obtained was a photographic robot of a conscientious servant of production forces and production relations and of the political-legal and spiritual-ideological superstructure. The personality was lost within the social structures.

The general human foundations of morality and, with them, the simple moral standards, to the extent to which they were acknowledged, were based entirely on their reorganized class interest and logically (theoretically) reduced to such an interest. To this day the science of philosophy has a poor idea of what to do with the acknowledgment of the priority of universal human values. For the time being, this is rather accepted as a fact pointed out by the Marxist classics. Although, it is the truth, it was for such values that the great mythical Teacher of mankind was crucified, and Socrates drank his cup. Generally speaking, what was Zarathustra talking about or what was Kant discussing in his treatise “*On the Eternal World?*” Were not identical expressions used in different, both directly and metaphorically, languages? The problem of philosophy cannot be solved or even formulated by the very fact of this acknowledgment. Under the pressure of the threat of a nuclear, chemical, bacteriological, genetic, energy and other global cataclysms, which affect one and all, when in front of our own eyes coercion is ready to convert from a “swaddling nurse” to the gravedigger of history, this problem is no longer all that complex.

More difficult to resolve is the true philosophical problem of the scientific, the ideological substantiation of the respective hierarchies in the system of moral values, which pertain to the realms of labor, democracy, class revolutionary struggle and true human culture, which can control the new ideological thinking and political actions. Such a system is as yet to be created in the course of the practical restructuring of existing social relations and philosophically to “present” it in the concepts of the renovated world outlook, fed by the springs of classical thinking.

Can we hope today to implement everything we are planning, to restructure the philosophical, moral and theoretically formulated ideals into an ideology of awareness and this ideology into practical, social actions, if we do not instill in them dreams and hopes?

No one has ever become a revolutionary on the basis of dry mental considerations. In the ideological process which prepares and stimulates a revolution knowledge is not separated from emotions, the mind from the profound layers of the personality and a natural action from the will, thoughts and fantasies of millions of people. Needed are a dream and hope, a constructive dream and an active hope. There must be faith in the possibility of the type of social condition which would mean a radical elimination of the present and which would go beyond the existing trends in the development of contemporary forms of labor, democracy, and statehood, in the rather distant future. There must be faith in the nonalienated human reality, in communism and freedom which, in this context, are interchangeable concepts.

The true antagonists in this rational faith are not knowledge or belief in reasonability, based on knowledge, on efficiency and on the necessity of any initiated social project, but irrational and blind and dogmatic trust in Authority, and subordination to the ideologized idols of official-bureaucratic standardization or anarchy. In a simple predetermined social reality as well as in the chaos of unpredictable interweaving of cause and effect, freedom becomes equally ontologically senseless and gnosologically fictitious, for the social situation is deprived of the freedom of making a rational choice. Within it there is no place for responsibility and, therefore, for moral action. Rather, they do not exist for the character in the historical drama who fully accepts someone else's scenario as an unconditional manual for action. Others keep their faith and hope for a solution, which could be fictitious or real. A flight, a destructive uprising or a revolutionary change depend on the nature of the adopted ideology for social activism. Hence the exceptional importance of developing within a basic scientific system a philosophical methodology for revolutionary practical initiative.

It is precisely within it that the ideology of theoretical support is located. However, one can lean only against something which resists. Abandoning today the independent development of philosophy would also be a symptom of the extreme vulnerability of ideology and the loss of its ability to be a means and to determine the objectives of social progress and to pursue the line of conscious unification and separation of human groups in the course of the radical restructuring of the social organism, precisely at a point when the role of the ideological substantiations of human behavior increases tremendously.

The time has come to speak and write not only of that which can be engraved in the ideological tablets. Let finally anyone who has something to say speak out and



let those who have no legitimate reasons for speech remain silent. Otherwise, once again such an occupation would lead to the ideology of social stagnation, regardless of the revolutionary phraseology it may contain. Once again ideological "noise" will suppress the multiplicity of voices accompanying a truthful philosophical quest, which is the only possible way in which one can hear a solo voice.

We know that philosophical thinking is in the nature of a dialogue which initially is turned to one's interlocutor, from the "I" to "the other person," existing, persuading and listening, disagreeing and understanding or, in short, critically mastering the "sovereign" thoughts of someone else. It tries to find the deep meaning of the past within the present and the meaning of the present—while in no way denying its intrinsic value—in the future, finding such meanings in a discussion with any interlocutor, regardless of space and time. Otherwise it would be the monologue of an ideologue, in the negative meaning of the term "ideologue," as described by the authors of *"German Ideology."* In order for the philosophical world, in which man and his history hold the center, to hear the "music of the spheres," it should not be an emanation of the only, or perhaps the "only scientific" way of thinking. We need a dialogue which does not exclude the freedom of speech, glasnost, clashes or principle-minded party convictions.

Let us, at this point, indicate our position on two interrelated questions: What is the "empirical basis of philosophical theory," and what the tie with practical social life means to it. No exhaustive answer can be provided to such questions. It would be necessary in that case to expand a philosophical system with all of its postulates and consequences, including those based on an essential openness and readiness for change in accordance with changes in knowledge and practical experience. At the same time, it is important to establish some aspects of such relations, bearing in mind the topic of this article.

Like any scientific theory, our philosophy includes a class of basic universal laws, which are the foundation which explains and predicts assertions supported by specific forms of investigation. The essence is that such laws should not, on the one hand, be based on any whatsoever general considerations and, on the other, that they are not simple and direct summations of empirical data. A philosophical problem appears when the subject, regardless of whether it is natural or social, is considered in its universal and necessary relations, and included in the general chain of the global process and becomes subject to a conceptual interpretation. Philosophy can evaluate a specific science methodologically only to the extent to which the experience of all knowledge is concentrated within it.

No one forbids a philosopher to observe an experiment or to study statistical collections. However, he becomes a materialist not because all phenomena encountered in

the course of this experience so far have been material and not because, selecting among a number of individual awarenesses, he has found that in the statistical majority of cases it is they which determine the private, the individual way of life. The "empyria," the "life" of philosophy is found in specific theories, although this is not to say that its concepts are totally insensitive to practical experience. Philosophical scholasticism may be found also where resorting to experience is not mandatory, as well as where it is on the basis of experience that we can directly advance toward the shining peaks of maximal summations. To the extent to which philosophy itself can be separated from the system of the individual sciences, the development of a positive science becomes a necessary prerequisite for its own positive development. For a while it may exist within movements, using its own internal resources, after which stagnation and regression become inevitable, which is precisely what we noticed.

If, for example, certain creative accomplishments have been made in the natural sciences, they would be present in the philosophical theory of scientific knowledge as well. In a philosophical reconstruction, science and its history appear significantly more complex in terms of their "morphology" and cultural "ecology," than they were 20 years ago. Naturally, here as well there have been problems, and here as well applause may have replaced a critical study. However, this already derives from a general undemanding professional-philosophical climate. Whenever social knowledge—political economy, sociology, social or simple psychology, the law, and art and art studies, finally—have been substantially covered by the mold of stagnation, what kind of methodological "revelations" could be expected out of philosophy? Furthermore, who would need them? Therefore, it is not only a matter of the fact that philosophical science abandoned the study of its own empyria (a great deal has already been said on that subject), but also that sociohumanitarian conceptual-image thinking has departed from philosophy. The results are familiar: reciprocally caused losses. Scholasticism and positivistic empiricism were ideologized under the flag of that same scholasticism.

Although slowly, this situation is nonetheless changing. Without wishing to present ourselves as experts in political economy or law, let us nonetheless point out that whenever economics must solve the problem of the meaning of its foundations, the problem arises of correlating existing theoretical structures and basic economic laws and social, state and other types of ownership, value and price-setting, and so on, with actual economic social relations; if the task of the science of law is to compare between a law as it is written (and in its theory) with actual legal relations as they exist (or do not exist) in real life, all of this presumes philosophical work, although done by nonprofessional philosophers. If a sociologist, psychologist or physicist begins to consider the foundations of his own science and determine the ontological



and epistemological meaning of its fundamental concepts, he too acts as a philosopher. This means that today the development of philosophy should be pursued not exclusively by professionals, who are graduates of philosophy departments, not by professional philosophers alone.

Any person, in as much as he lives in a society is a humanitarian, in the sense that he explains, corrects and evaluates his own and someone else's practical and theoretical behavior in terms of the categories of humanitarian (unfortunately, not necessarily humane) thinking. And so today we can identify the significant phenomenon of the disappearance of the boundaries, of the penetration of philosophical awareness in new problem layers of thinking and activities. It may occasionally even seem that a political journalist, a literary worker or a worker in the theater may show greater taste to engage in philosophical work than a philosopher whose job this is (if only their successes in their own professional activities would become more impressive!), dealing with the "eternal humanitarian concepts," such as the meaning and value of human existence, the existence of the human species, the place and purpose of man on earth and, on the same rank, the concepts of Truth, Goodness, Beauty, Action, and History, which traditionally mature within the depths of philosophical and religious-mythological systems and become (must become!) familiar to everyone. It seems as though it is only now that we have begun to understand something about it. Eternal philosophical problems exist not in the lofty purity of abstract speculations but in anything which is specifically earthly, in the very foundations of our words and actions. They cannot be addressed to future generations, for such addresses may not exist. It is precisely we, here and now, and everyone in his own place, that is destined by history to solve such problems. Such problems reveal the main ideological and political imperative of social responsibility: **no one, ever, under any circumstances, is free from most serious thoughts about the objectives of the society in which he lives and the admissibility of the means used to achieve them; no one is free from individual, from personal participation in social action.**

Consequently, in its most profound meaning, social responsibility is a characteristic of social action, based on the conscious, the critical coordination and subordination of personal objectives to more common objectives and, in the final account, to the objectives of society and mankind. In this case society will be democratic and man within it socially protected to the extent to which the existing mechanisms of power, the mechanisms for making socially significant decisions presume and ensure the participation of any person as a co-author, executor and controller of the implementation of the social plan.

It is at this point that my expectations and hopes become directly combined with those which I, personally, can and must implement. This is the realm of my freedom and nonfreedom, simultaneously, for my sociocreative,

free, and moral-active attitude toward the world, nature and someone else is both my right and my obligation. I cannot delegate them to any other authority, labor collective or political party. Here personal freedom of choice and democratic freedom are balanced by moral necessity.

No external guarantees of progress and automatic progress of social development exist, for which reason the only guarantee of progress could be the awareness of this fact and the personal acceptance of full responsibility for anything that may occur. Clearly, it is precisely here that we find the roots of the new thinking in its deepest essence, a thinking the series of postulates and theses of which are not fictitious, but have assumed today a new theoretical meaning and political status.

We are frequently told that the humanitarian, the philosopher in particular, allegedly tends to engage in meaningless accumulations of foggy verbal structures and unjustified complexities. Indeed, in reading some texts, it is difficult to ignore the impression that it is impossible to clarify them, that there is no mental key whatsoever to the linguistic lock of a treatise. Naturally, however, complexity does not mean senselessness, and senselessness could appear on the surface as simple and understandable. A philosopher does not suffer from the vice of unintelligible foggy any more than any other victim of erudition or of one's own inability to understand the connection among the meanings of words used in any area of human activity.

If there is no necessary knowledge or the particular skill (not to mention "ability" and "talent") of a mental dynamics in the area of special concepts, it would be unlikely even for a "pure" mathematician to refine a humanitarian problem with the help of his notorious habit of precision. It is a sad and damaging error that in philosophical thinking concepts are so "flexible" that any juggling of their meaning is possible or that they are so simple that even in the case of a complex social situation they can be described by any unknowledgeable person. Occasionally, such a person turns out to be the very representative of the professional body of social scientists.

Humanitarian knowledge is a strict type of knowledge which has nothing in common with equivocation, and which operates with the greatest possible strictness of established meanings of concepts. However, this is possible only within the range and help of theoretical or simply mental systems within which they are found. Dilettantism is contraindicated as much in social science as it is in natural science. The better we realize all of this the greater will be our chances of trusting a theoretical socially significant word. The more clearly we determine the unbreakable link between the existence of **trust** in it and its **dignity**, the sooner we shall eliminate the still extant responsibility of the word in terms of social affairs.

Sooner or later, a society which has turned its philosophy into nothing but one of the functions of supporting the stability of social structures must pay for this by losing a perspective and a few other things. The appearance in the social sciences, replacing scientists and philosophers, of interpreters of texts, by no means accidentally coincides in time with the emergence on the ideological stage of various types of "fighters" for the purity of ideas and, in political life, "grand inquisitors," willingly assuming responsibility for the sins of the world and making decisions in the name of anyone who is "weak and sinful," considering this their true purpose and happiness. There is a profound internal link between the atrophy of social thinking and political passiveness and the usurping of rights and avoidance of obligations, a decline in mores and economic stagnation. Whenever dialectics is converted from an instrument of revolutionary criticism into a "theoretical" awareness and mass social psychology into a defense of what is, it is stupid to hope that what is will change for the better.

Words and actions.... It is said that "enough blabbering, let us get to work!" Naturally, we must not blabber. But this has already happened. People acted and did not "blabber"... and did not think. They executed....

Today one can no longer be a simple thoughtless executor. This is bad and ugly. It is criminal, to be absolutely frank. The 20th century, which has experienced two unprecedented world wars, a great revolution, unparalleled tragedies and the greatest flights of the spirit and the efforts of brilliant minds, unrestrained lust for power, stupidity of governmental machineries, lofty dreams and bitter disappointments, has become the witness of the type of social upheavals and displayed the types of mass in individual behavior unknown to previous history and, respectively, to historical culture and could not be reproduced in its science, art and philosophy.

What type of property class interest, for instance, was behind the tragic history of the ideology and practice of the aggravation of the class struggle as we advanced toward socialism? The idea of which ruling class become dominant and, having mastered the mass of executors, turned into a dark and rude material force? Try to find the class determinants of this with the help of existing philosophical systems. The problem would be difficult. In order to solve it one would need, in addition to philosophy, history, sociology (the sociology of politics, for example) and psychology (including class psychology), perhaps not in their present condition. So far, we have not properly undertaken the theoretical study of the ubiquitous power systems encountered in our century.

Or else, what is the origin of such an unshakable belief that the interests of the worker, of any group or detachment of the working class, is always more progressive than the interest of the peasant, and that one should always be oriented toward awareness of this fact. This concept appears doubtful at least as far as the use of nature or the ecological aspects of thinking are concerned.

The creators of Marxism believed that the proletariat is the **only** systematically revolutionary class for the reason, specifically, that it was radically deprived of any ownership of the means of production and that it had nothing to lose but its chains. And what was there to lose for our peasant, three or four times ruined by the Civil War, collectivization and industrialization, and then another war and a postwar restoration, other than the doubtful pleasure of being the target of administrative-command exercises of leaders and administrative systems? And after all this, if the peasant did not reject the revolution, lose faith in socialism, while remaining hungry or semi-hungry, feeding the country, and defending the fatherland, should we not today equate him with the worker in terms of his right to historical responsibility, as well as point out the "events" in our history when such responsibility was lost by both. Marxism can only benefit from this.

Life is not only the superior but also the most basic value, for all other superior humanitarian values (we doubt that there are any lower ones), such as knowledge, labor and freedom, can be described as values to the extent to which they have a meaning, and to the extent to which they do not clash with the existence of man and his species. Higher, however, does not mean absolute. While acknowledging life as the higher value, we must become even more critical toward it, realizing that not all life is good. Therefore, today the question is not simply one of survival but also of the quality of life which could and should be attained by mankind.

Civilization has made a breakthrough into space and is destroying its own habitat. It has penetrated the secrets of nuclear matter and has just about burned itself in its melting; it is investing tremendous efforts to maintain an armed peace and is initiating a difficult dialogue. We, the people who live in this century, are simply bound to find about and describe man and society to a greater extent than was known to our great teachers. We must find the entire truth about ourselves. We must find who we are in this universe and where we are going.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

### **Bureaucratism and Bureaucracy: Need For Specification**

*18020018h Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 73-84*

[Article by Lev Dmitriyevich Gudkov, candidate of philosophical sciences; Yuriy Aleksandrovich Levada, doctor of philosophical sciences; Aleksey Georgiyevich Levinson, candidate of art sciences; and Leonid Aleksandrovich Sedov, candidate of historical sciences, scientific associates of the All-Union Center For the Study of Public Opinion On Socioeconomic Problems (VTsIOM)]

[Text] It is difficult to recall any other time when there has been so much and such sharp talk about bureaucracy

and bureaucratism as today. An awakening social awareness is seeking in these phenomena one of the foundations of the obstruction mechanism and one of the main opponents of perestroika. The criticism of bureaucracy has become an important trend in the self-cleansing of society. However, emotional saturation is not always consistent with analytical depth and strictness of thought. Occasionally, criticism stops at exposing the external, the obvious features of bureaucracy—red tape and “paper” management. Occasionally the evil is sought in the very existence of the “bureaucrats”—the personnel in the administrative area. Of late a number of authors have tried to interpret bureaucracy as a particular social system with its own interests and values (we shall return to this view later).

It seems to us that today it is both necessary and possible to base the analysis of bureaucracy on the principles of greater scientific strictness and practical efficiency. We must determine why, despite the most fierce criticism and innumerable reductions and purges, bureaucracy proved to be able not only to maintain but, from one campaign to another, to strengthen its positions in society. As noted in the resolution of the 19th All-Union Party Conference, “In an atmosphere of stagnation, and of paralysis of democratic institutions, bureaucratism expanded to a dangerous point and became a hindrance to social development.” Both historical and present experience enable and mandate us to subject to a critical consideration not only the bureaucratic style of management and the social stratum related to it, but also the activities of the bureaucratic system as a whole.

### Administrative System and Bureaucracy

To one extent or another the phenomenon of bureaucracy—the concentration of the instruments of power in the hands of a centralized machinery of officials—is inherent in various societies and social organizations; neither ancient empires nor contemporary economic corporations have been able to avoid it. Monarchic regimes, parliamentary democracies, revolutionary elites and political parties and social movements in different countries have been subject to bureaucratization. The comparative analysis of bureaucracy holds a solid position in the history of global sociological thinking.

However, this bureaucratic Leviathan with which we are dealing today has no analogue in history. The bureaucratic management system, which took decades to develop, acquired infinite possibilities of subordinating to itself all areas of social life without exception—political, economic, cultural and ideological—never, in the course of this, encountering any real counteracting forces or restrictions (such as traditional or legal institutions). A unique system of “bureaucratic absolutism” developed, i.e., a bureaucracy with a claim to absolute rule over society.

Its distant origins are related to the legacy, as Lenin said, of the Russian empire, “the bureaucracy of serfdom (see *Poln. Sobr. Soch.*” [Complete Collected Works], vol 16, p 405); its most recent sources may be traced to the monopolizing of power functions in the postrevolutionary period. The heroic generations of revolutionaries (not only in Russia) believed that the political underdevelopment of society should not hinder the successful activities of the vanguard, which was coming to power. It was literally the day after the political victory that they had to face the tragic dilemma: either systematic and not always fast steps toward supporting revolutionary actions with democratic institutions or a mechanism for acceleration, the coercive urging on of society, revolutionary in terms of aspirations and authoritarian in terms of nature. Such a mechanism cannot be reduced to a “machinery,” i.e., to a set of party and state institutions and officials. It also includes support units, organized ideological influence, etc. Whatever the conditions which brought to life such a mechanism may have been, invariably two interrelated trends appeared in its activities: the alienation of the mechanism of power from the masses and corruption. Nowhere were efforts to surmount the latter trend by militarizing the apparatus (as during the first years of the revolution in our country and, subsequently, in China), or by doubling and increasing the strictness of “investigative” systems, proven successful.

We shall not touch upon the heated discussions among historians concerning the objective and subjective factors which led to the use in our country of the “accelerated” alternative, with all of its consequences. Let us merely emphasize that under the Stalinist system the mechanisms, trends and values of a bureaucratized society acquired their open and even cynical manifestation (the concept of the party as the “order of knights,” the strict hierarchy of “rank,” the bureaucratic state as “the main weapon,” the model of the “pyramid” and “cogs,” the “utopia of uniforms,” and others). The transformation which had taken place became obvious to its full extent later, when emergency means became permanent objectives and when the bureaucratic apparatus absorbed the political (target-setting) structures themselves. The blossoming and start of the crisis of the absolutized bureaucratic ruling system were adequate for the period of so-called stagnation. However, the system had taken shape considerably earlier. Stalinist autocracy crowned and concealed the omnipotence of the bureaucratic power pyramid. The hierarchical mechanism, depersonalized by its very nature, needed, in its formative period, the screen of “individual” concern and “individual” initiative, which, precisely, it found in the cult of the arbitrary rule of the supreme leader. On the next round of the spiral of bureaucratic absolutism, the state monopoly of “culture” already played a different role. Rising above society the phantom figure of the “quietest possible” leader, covered by glittering awards, the ruling bureaucracy was given the opportunity to cultivate itself. In all cases, political cults and small cults were developed not as a result of the illusions and

superstitions of the masses (although they too played a role) but to meet the requirements of bureaucratic rule which led to the alienation of the working people from the system.

The economic grounds of the bureaucratic system are relations within the national economy and what surrounds it, which require constant extraeconomic coercion (the command-administrative system), which they steadily reproduce. Inevitably, the concept of national ownership, within the network of mandatory economic relations, turns the bureaucratic hierarchy into the only real subject of economic management. It is only this hierarchy that acts in practical terms as the full representative (or, to use the apt word of A. Platonov, the "deputy") of national or governmental interests. Nonetheless, bureaucracy does not have its own economic interests (on a serious, on a national economic scale); its true aspirations are reduced to maintaining its positions in the hierarchy of power. That is why bureaucratic domination of the economy mandatorily turns into the domination of extraeconomic strictly hierarchical interests (it would be a desecration to describe them as political).

The lack of real economic incentives makes it necessary to "push" the economy with the help of extraeconomic incentives, above all with administrative coercion and various types of mobilizations. Planning, oriented toward extensive gross output increase, triggers an entire system of artificial and frequently simply arbitrary indicators ("tricky figures," as aptly described by contemporary economic critics). The economy of scarcity needs a cumbersome system for the allocation of funds, resources and consumer goods and, therefore, a respective machinery; furthermore, scarcity inevitably triggers an entire network of specific social relations, which penetrate all pores of society. It was confirmed long ago (as early as the 1920s by V.V. Novozhilov), that the origins of the chronic shortage of consumer and industrial resources lies in the very system of an economic management based on directives and a respective (command, as we say today) price setting system. In the present inefficient economy, based on outlays, waste and scarcity of natural, economic and social resources, equipment, manpower, goods, information, and so on, are closely interrelated. The economic and social-equivalent "exchange of activities" (Marx) is converted into a system of scarcity in "vertical" relations of distribution, based on the hierarchy of the status, or, figuratively speaking, the numerical order in some kind of universal social sequence. The choice of the most efficient economic behavior, including consumption, is replaced by "competition" for holding a place in this sequence or, rather, a series of sequences, for "special" lines and categories of supply and others appear. "Rationing" (all kinds of restrictions) and a black market are the inevitable supplements to this order. This entirely spontaneously self-organized system of restrictions, permits and status, of substantiated and unsubstantiated benefits, limits and prerogatives of various sorts are the nutritive

"stock" of bureaucracy in all of its dimensions. In the economic and social conditions based on scarcity, the universal rights of citizens and social groups are replaced by exclusive (monopoly) privileges, which are concentrated in departments and organizations and allocated according to their standard in accordance with the importance of the "claimants." This so-called "normal" phenomenon of "abnormal" social conditions is a source of departmental arbitrary rule and administrative corruption. A universally allocating bureaucracy is both the product and the guardian of an economy and social relations based on scarcity.

The notorious "paper management" is one of the most obvious features of bureaucratic management. The steadily growing wave of all kinds of accountabilities and reports appears not because of thoughtless officials but because under circumstances of universal lack of initiative and presence of irresponsibility, the universal development of mistrust needs a screen of an endless number of reports, lists and accounts. This creates an inexhaustible occupation for controlling agencies as well as the foundation for the steady conversion of reports into deletions and padding, i.e., for a corrupted information.

The rigidly planned economy of scarcity, as its history and theory indicate, not only inevitably creates its own "shadow," but also always needs it, in the same way that machine wheels need lubrication. This "shadow" includes not only the "second" economy (unsanctioned production and illegal deals) and economic corruption, but also detachments of "pushers," and means of "extracting" funds and amending plans.

The system of "indicator production" is extended to education, culture, science, upbringing and promotion of cadres. The notorious and endlessly criticized "percentage-mania," as an indicator of the quality of training, and the equally frequently condemned and equally untouchable "purity" of survey data, replacing a practical and moral approach to workers, are phenomena of the same order. Included in that series are the "deletion" indicators, which are guidelines for fictitious comparisons of international or domestic order, which create the appearance of competitiveness, incentives, faster development, and so on, in the absence of true competition and reliable yardsticks for comparing results.

Whatever the area, activities based on "indicators" need, in the interest of self-preservation, the creation of "production" secrets and, therefore, of "guardians" of such secrets. It is only a thoroughly guarded secrecy, preventing even a most limited openness, that made it possible, for a long time, to present ostentation and fuss as the solidity of the state, and the "guardians" of the secret as an esoteric (closed, inaccessible to the unenlightened) caste of priests. An "economic" analogy is fully applicable here: all "guardians" of scarce, i.e., strictly regulated and specially distributed goods are

profoundly interested in maintaining a situation of scarcity, for all of their privileges are linked to it. Not the least consequence of this is the extremely painful procedure of declassifying statistical information and files.

"Gross" indicators, "percentage-mania" and "paper" selection of cadres are not only similar in terms of the method of action but also lead to results of the same order: in entirely different areas of material, cultural and "human" production, the average (or, more accurately, not above-average) quality of output is selected and prevails. The fact that under contemporary conditions this means an average quality of commodities and services, including education, health care, and so on, has been discussed quite extensively. Let us especially emphasize that in the case of the administrative-bureaucratic system itself, such documentary and other methods for recruiting cadres necessarily lead to the reproduction and predominance of **incompetence**. This pattern, so to say, of an essentially "stereotyped" order is related to a nomenclatural method for cadre circulation. Any absolutizing of power functions makes their exercise incompetent, simplistic and subordinate to relatively poor criteria. Such criteria, for example, could include the pitting of "mine against the outsider's," "clear versus unclear," "ordinary versus unusual," and so on. This leads to the appearance of situations in which what is approved is "mediocre but one's own," encouraging "the obsolete but customary," and so on, in all areas and on all management levels. The lowering of managerial criteria leads to the inevitable lowering of the level of the management itself and its efficiency. We repeat: it is a question not of shortcomings of managers or collectives but of the faults of the administrative-command management system in which the "absolutist" claims to "omniscience" and a primitive mechanism of criteria in turn lead to the assertion of primitivism and mediocrity in all aspects of social and cultural creativity.

Also related to this are the characteristic features of the **ideology** of the bureaucratic system, its simplistic nature above all. By its very nature, such an ideology can be nothing other than a limited set of extremely simplified systems and standardized formulas (it is essentially an "ideology of formulas"), without any internal connections or any whatsoever serious theoretical content. It would be inaccurate directly to relate bureaucratic ideology to dogmatism, bookishness, dogmatic distortions of Marxism and socialism. Dogmatism obeys the "letter" of theory. It treats a text as a sacred writing; bureaucratism uses any text (or, rather, excerpts from it) for pragmatic purposes only.

The only text it values is the one which has been sanctioned by authority. Subordination to it is always more important than argumentation. Efforts to place a dogmatic interpretation of any kind of theoretical text above the authoritarian have been frequently considered dangerous, with all the consequences that this entails. For that reason, the bureaucratic system only appears ideocratic (or "logocratic," i.e., meaning the power of

verbal formulas); a means of its spiritual existence is the transformation of any live thought into a dead formula for the sake of exorcising reality and not of finding its way within it. The "raw" material for this procedure remains more or less a matter of indifference. We find in Stalin's works innumerable examples of an arbitrary quarrel with Marxist ideas, combining them with great-power or simply circumstantial concepts.

Bureaucratic ideology is one of "hierarchy." Each higher level is granted greater rights concerning theoretical truths and moral evaluations and the peak of hierarchy also assumes the entire monopoly on truth in the final instance and applicable to all problems and areas of life. In accordance with hierarchical logic, the lower authorities must always provide not an interpretation of authoritarian formulas issued from above but a demonstration of total loyalty toward them (in fact, naturally, in terms of the formula sanctioned by the authority). This is once again a case of the consistency with "indicative" logic, i.e., a demonstrative, an ostentatious loyalty (in precisely the same way that the declarative readiness to observe any instruction has always been valued more than the actual implementation, assuming that the latter was possible to begin with).

Frequently ideological formulas show amazing durability. They preserve their ability to function much longer after the conditions in which they were formulated have changed. This is related not to their accuracy but to the convenience of such formulas. Today we frequently come across in theoretical articles, speeches and talks about unreal, phantom formations, which have long forgotten what their initial functions were. In order to explain this phenomenon it takes more than merely referring to the habit of the "upper management" to use customary formulas, the functionality of which is found precisely in this custom. Here we also have the old custom of the "lower levels" (naturally, within the framework of the power hierarchy) to be satisfied with the surrogates of a "formula" ideology, for they make unnecessary the need to have a personal opinion or responsibility and, finally, to engage in active action. The bulwark of the reliance of the bureaucratic mind is the disseminated formulas backed by stable stereotypes such as "the chiefs know better," "we are small people," "what would they think of us," and so on. Official optimism, fear of novelty and dissidence, and a primitive set of second-rate values turn patriotic dignity into a pompous conceit and scorn for the "alien," which are essential features of the bureaucratic mind on all of its levels.

Under our circumstances, such an awareness has developed as paternalism, as an ideology and mentality of hope for "fatherly concern" on the part of the "upper levels." The mythology of the "father of the peoples" crowned precisely such an ideological structure. The opposite side of universal paternalism or even its main feature is the denigrated, the servile-grateful or servile-petitioning awareness of a person, alienated from the

ruling hierarchy and helpless in the face of it. Such a type of consciousness is frequently equated with that of an adolescent (as described, for example, in the article by I. Kon in *KOMMUNIST* No 1, 1988) although, it seems to us, that sometimes a more apt comparison would be with an infantile mind, which is able to beg but not to reach a critical interpretation or a creative stance (who can forget, for example, that in Mayakovsky's poetry the "country-adolescent" is related to the slogan "create, invent, try;" such aspirations are alien to an infantile awareness). The ideology of paternalism cultivated a passive attitude in the masses and concealed arbitrariness behind formulas of "concern." This justified the absence or the belittled condition of legal guarantees and of relations based on the social contract.

For many decades the development of secrecy and paternalistic stereotypes in the mind were backed by a "serfdom" mentality of stress and unconditional obedience in the face of internal and even external enemies (as historical experience confirms, the artificially painted "face of the enemy," which dominated for a long time propaganda stereotypes, triggered an inflamed "vigilance," and a harmful "protective" awareness).

The entire Stalinist "order," which, to this day, still finds its respectful defenders, was essentially based on this kind of system of obedience. This was not an order of technical or economic accuracy, precision, disciplinary or strict social obedience. It was merely a procedure of quite strict social subordination, obedience and hierarchically organized loyalty. It was backed, as we know, by the breakdown of the authoritarian-bureaucratic system into parallel verticals: subordination and control over such subordination (actually, there were obviously a greater number of such vertical lines). The system of vertical loyalty was supported by a system of universal uncertainty and fear. The "price" paid by society and the people for this order turned out to be immeasurably higher.

Whatever the period in its development, the bureaucratic system, absolutist in terms of aspirations, was not and could not be absolutely rigid on the level of execution. It not only always left some space for subjectivism and arbitrariness on all levels of the hierarchy without exception but also directly needed them. The once famous formula according to which any (actually, only successful) initiative in society was considered the result of the initiative of the "main individual," essentially concealed the inability of the bureaucratized hierarchy to formulate any kind of initiative, any movement, any self-tuning. All of this could exist to a certain extent only within a system which creates, as mandatorily as does the strictly centralized economy, a "shady," economy and which created and preserved the multi-storied system of "shady" power mechanisms, whether individuals, clans, vassal or Mafia-like. In terms of the means of its organization, the bureaucratic system proved to be as two-faced as its characteristic ideology ("doublethink").

To a certain extent, such a feature is inherent also in the bureaucratic style of management. Inherent in the instrumental bureaucracy are the reduction and technologizing of administrative functions: any social or economic problem is reduced by it to the level of a series of individual "steps," accessible to the range of the corresponding power units and encompassed within the limits of accountability standards. However, the absolutized bureaucracy, i.e., a bureaucracy which bears absolutely no responsibility, introduces a certain change in this structure: imperceptibly, it replaces the implementation of measures with a report on their implementation or, in other words, it demonstrates its loyalty as a performer. This too is not a fault of individual whitewashers but a strictly legitimate feature: absolute claim combined with absolute inevitable incompetence simply deprive the system of the possibility to carry out any one of its objectives. Usually, bureaucratic management is characterized by high volumes of accountability, reports and other documents, "papers." In fact, however, the specific nature of the bureaucratic style is found less in the number of papers than in their functions: above all functions of formal replies, reinsurance, figure padding and innumerable and unnecessary coordinations which detract from personal responsibility.

Bureaucratic activities are impersonal and callous, for they are oriented not "downwards," not to meet the specific needs of specific people but "upwards," toward the demonstrative, the official implementation of superior instructions. Naturally, it is not a question of any individual style (or mentality) of an individual official but of the style of the bureaucratic system as such. The superficial, the cartoon criticism frequently alleviates the problem, depicting some kind of abstract bureaucrat mandatorily as a sullen and important-looking office worker. Also perfectly fitting within the social framework of the bureaucratic system and its style is the psychological type of the communicative-familiar official, prepared to issue to the shop or the farm instructions received from above.... Not only the social type and function but the social style of activities remain unchanged.

It is this style that determines the various levels and areas of activities of the bureaucratic system. To what extent, in this case, is it legitimate to consider bureaucracy in our society a separate social stratum, "as some kind of class?" There is the entirely understandable temptation to point the finger at this separate stratum, considering it as just about the main source of the many sufferings of all other social groups in the past few decades. Such an approach carries a strong critical charge and helps us to single out some structural faults of the existing social mechanisms and the inefficiency of many anti-bureaucratic penalties. However, it is difficult to consider it somewhat scientifically strict. By no means does always a reference to social classes and class interests help to explain social phenomena.

It is our assumption that as a social group the bureaucracy is not a "stratum" but rather a vertical, a kind of

"complexly subordinated" and hierarchically organized community. Sharp drops exist between the status and possibilities and advantages enjoyed at its different levels. Even if we subtract from the frequently quoted figures of personnel of the administrative apparatus in the country, numbering 18 million, those engaged in auxiliary and servicing functions, the remainder (about 3 million, one way or another involved in decision making and implementation) are also not a stratum but a hierarchy of strata. It is also obvious that such a hierarchy is built like a pyramid, narrowing toward the top. Power, responsibility, privileges and possibilities of arbitrary behavior are by no means evenly distributed among the different levels of the administrative pyramid. Its individual levels are specialized in decision making, providing support, practical implementation, etc. Therefore, in terms of its existence, the bureaucracy is more like a social mechanism or institute than a separate stratum.

This is confirmed by the initially startling ubiquitousness of the bureaucracy. Bureaucracy functions not within a certain specific stratum (such as that of paid officials) but seems to fill any social space accessible to its influence. Anything the bureaucratic system touches, anything that falls within its field of gravity, is converted into one of its structural parts (or trend, at least). This is explained not only by the fact that the voluntary activists in the various bureaucratic organizations are not functionally different from the paid members of the apparatus. Since the hierarchy of the bureaucratic system covers all aspects of power functions in society—including executive, accountability and supporting—all social forms, all types of human activities and all social groups and professions become links and bolts within this system, and everyone becomes an official of a given rank, holding a paid statutory place within a certain hierarchy.

The socialist ideal of converting all members of society into officials in their bureaucratic variant means the conversion of one and all into governmental employees, into officials of a multiple-tiered apparatus. Today we rarely recall the attempt of the Stalinist leadership at the start of the 1950s to make the personnel of any given department wear a specific uniform, rated on the basis of standardized ranks and titles, which was an insane apotheosis of the actual and mercilessly developing bureaucratization of the country, in the course of which man became a "cog," society was absorbed by the state and the state by the "apparatus." This process affected the ruling party as well, the units of which blended with the hierarchy of officialdom. Finding no whatsoever efficient opposition in the postrevolutionary society, the bureaucratic system was able not simply to subordinate to itself but to transform in its own image the various social institutions and social groups, converting ardent enthusiasts and cunning careerists into its own officials and the social institutions into levers and transmission belts of its mechanism. There were periods in the life of Soviet society during which the victory of the bureaucratic system over the society seemed almost complete. Nonetheless, this victory turned out Pyrrhic.

### The Crisis of Bureaucratism As a System

From the very beginning the bureaucratic management system was structured as **extraordinary**, the purpose of which was to deal with an exceptional situation quickly and not to adapt it to answering questions, such as "and then what?" History is familiar with two types of extraordinary social management systems: one of them, which is forced by the circumstances of a war, is characterized by universal discipline and self-restrictions (it is precisely to this type of system that we could apply the widespread definition of "barracks"); the other is an artificially created situation of organized coercion of society (at this point analogies of a different sort would fit).

The system of administrative-bureaucratic rule, which developed under the Stalinist leadership, itself steadily recreated exceptional situations in society, turning mass terrorism toward its own people into a standard. Any system of emergency management invariably turns out to be temporary, for it destroys the prerequisites of its own existence. The "militarized" way of life sooner or later exhausts the very resources of the society it mobilizes, be they political, social or moral. Direct coercion, reaching the point of mass terrorism, acting as the swaddling nurse of the administrative-bureaucratic system, was not always necessary: during years of a slowed down social time ("stagnation") such a system was essentially based more on the inertia of fear than on open coercion. It was precisely during that period that the familiar impasses developed in the various areas of social life.

Above all, what became obvious was the exhaustion of the resources of the extensive—inefficient, wasteful—socioeconomic growth. The absolutized bureaucracy is simply incapable of an orientation toward efficient development, correlating outlays with results, perhaps for the reason alone that it is oriented toward formal indicators and "accountability." During all the periods of domination of bureaucratic management, both before, during and after the war, inefficient and extremely wasteful economic and social management methods prevailed, which led to irrecoverable losses, and to the loss of the criteria themselves of a normal social development and the factors which could ensure it.

This led to a number of social transformations and influenced the nature of activities and interests of the various social groups. Hiding behind revolutionary progressive-sounding formulas, the bureaucratic system actually systematically equalized the features of the social strata and groups, step by step converting them into governmental officials equally alienated from public interests and decisions, different above all in terms of the scale of access to goods in short supply, including information and power (in recent years, the notorious concept of "social homogeneity" made its contribution to the justification of this transformation).



The bureaucratic "equalization" led to the fact that workers lost the possibility of making a free choice of where to apply their labor and sign a wage contract. The preservation of inexpensive nationalized manpower, which was achieved initially, and its reduced mobility triggered the lack of interest on the part of the workers in labor results and production efficiency. Deprived of economic ties to the land, the peasantry lost its proprietary interest in its work. The only social group of the postrevolutionary society which not only preserved but also multiplied its specific social functions, withstanding with this total and repeated change its own human "material," was the bureaucracy.

Let us particularly note the importance of the transformation of the intelligentsia. Reducing intellectual workers to the status of state employees, feeling a permanent insecurity in terms of the preservation under rather modest positions on the hierarchical scale of prestige and income and, furthermore, supported by recurrences of political mistrust and endless ideological processing between the 1920s and the 1980s, led to a profound disintegration of the intelligentsia as a specific social group and of the quality itself (if not the institution) of the social intellect.

This loss occurred against the background of a tremendous development of social education and huge investments in strategically important scientific areas, etc. No superprivileged conditions for specially singled out groups of scientists or, let us say, painters and no outlays in the scientific-production area (in fact, not all that big in terms of international comparisons, particularly in the nonmilitary areas) were ever able to compensate for the main loss resulting from the bureaucratic nationalization of intellectual activities—the loss of the creative spirit. In its time, a major stage along that way was the conversion of independent creative associations of writers, painters, and others, into cumbersome "unions," which were actually departments under the orders of respective sectors responsible for quantity and quality indicators (optimism, realism, militancy, etc.) of the required output. A similar fate befell on scientific creativity within the rigid limits of academic or departmental command and prohibitions. All of this, combined with the endless and incompetent interference by superior levels of the bureaucratic hierarchy, inevitably fettered creative activeness and distorted its purpose. We can only admire the fact that during the most difficult times, under circumstances of their belittling and goading, people of high spiritual standards worthily served the ideals of truth, continuing the traditions of the domestic intelligentsia and creating something which was sensible, good and eternal.

However, it was not a matter of creativity alone. In addition to the spiritual—"production" function of the intelligentsia, in Russia—possibly more than in any other country in the world—this intelligentsia performed yet another socially important function: the socially critical function of stirring society and assessing its accomplishments and losses. The intelligentsia, fairly or

unfairly criticized for its numerous weaknesses and blunders, fulfilled the irreplaceable role of promoter of doubts and of social consciousness. The bureaucratization of social life almost entirely eliminated this role as well, which contributed to the decline in the standard of the intellectuality of society and the triumph of self-aggrandizement, which quite frequently replaced sober self-assessment and common sense.

The domination of the bureaucratic system led society to stagnation and its institutions to a state of profound decay, while leading triumphant bureaucracy itself to a state of unprecedented corruption.

Such degradation was neither accidental nor sudden. Data on the spreading of bribery and corruption, reaching the highest levels of the bureaucratic hierarchy, which have become public today, are shaking up public opinion but are not always adequately explained. For example, the view is widespread according to which economic corruption was the product of the "age of stagnation," and the result of the weakening of the discipline of fear. We believe that the roots of the decay go substantially deeper. The separation of the social management apparatus from the population, the absence of democratic institutionalized relations between the system and the society, and the lack of glasnost were all nutritive grounds for corrupting the various units of the bureaucratic hierarchy.

It is untrue that in Stalinist times the bureaucracy was "suppressed" (which is a typical theme in the populist mythology concerning the "father of the peoples"). The uncertain status of the officials, including those on the highest levels, increased their dependence on the upper stratum of the notorious pyramid and the arbitrary behavior of the supreme leader, turning them from activists into employees, which only strengthened the domination of the bureaucratic hierarchy. Under the circumstances of mass terrorism, denunciations and persecutions, the degradation of political or simply human morality prepared the appearance of unrestrained economic corruption.

It is an old story that absolute, unrestricted and uncontrolled power corrupts absolutely, including itself. In a system of unlimited power no organization of revolutionaries could be protected from bureaucratic degradation. Lenin pointed out this danger during the very first postrevolutionary years ("communists became bureaucrats. If anything would doom us this would be it"). This danger became apparent to its fullest extent much later.

As long as there was a parallel ruling hierarchy in the system of centralized threats, the possibility of arbitrary behavior were concentrated essentially on the upper levels of the bureaucratic pyramid, while conditions for reciprocal insurance on the local and departmental levels remained limited; after the collapse of that system, while



retaining the main foundations of the command-bureaucratic structure, local cliques, clans and Mafia-like organizations acquired scope for their proliferation. The arbitrary behavior of the local rulers and group corruption, as we now know, were rooted in their most obvious forms wherever they blended with the network of family and clan relations. It is true that their roots spread far into the main areas of society. Law enforcement and controlling institutions found themselves virtually helpless in confronting the bloc of corrupted units of the bureaucratic hierarchy, with local Mafias and rulers of the "shady" economy. Frequently, they themselves joined such blocs. This is just about the harshest lesson taught by the period of "stagnation."

### Radical Illusions and Real Hopes

Today the problem of bureaucracy in our society is above all one of real power. It would hardly be an exaggeration to say that the fate of the entire process of social renovation depends on the extent to which this knot has been untangled.

It is important to realize that no simple solution exists or could exist in this situation. No exposures of the bureaucratic style of management and no criticism of the bureaucratic apparatus or its personnel could be effective for as long as the bureaucratic system of management, activities and thinking remains. Endless slogans and campaigns of the "struggle against bureaucratism" failed above all because they were aimed against individual manifestations or elements of the system which appropriated the results and accomplishments of the people's toil.

The question raised now is one of wrecking it. Not "cleansing" it from encrustations, not correcting "distortions," but precisely bringing down the system of bureaucratic rule, laying essentially new foundations for the country's social and political development. This problem falls within the range of interest of the broad sociopolitical discussion conducted in recent months and, naturally, was the focal point of attention of the 19th Party Conference.

Unfortunately, illusions still remain about the possibility of "surmounting" bureaucratism by reducing the size of the administrative apparatus, reducing the number of ministries and offices, reducing the amount of outgoing "papers," etc. Essentially, this means relying on the possibility of a purely bureaucratic—"formal reply"—struggle against bureaucratism. The "gross" reduction in the size of the apparatus, in our view, may lead to the fact that it will begin to work more poorly, while grounds for bureaucratic arbitrariness and omnipotence will be preserved or even strengthened. Compared with other developed countries, we have a significantly fewer number of skilled management workers. We are short of specialists in the information industry, economics, law, sociology, applied psychology, etc. The concept that management cadres are an obviously "unproductive"

and almost parasitical stratum in society is very wrong. The function of social management is to support, reproduce and enhance the level of organization of society. It is as useful as the "production" of education or health and all of them, put together, are as important as the production of grain and metal.

For in the final account, society "produces" itself or, in other words, produces the social man in his social relationships. As to who performs the functions of social management and how, this is a different matter. In a democratic structure of society the decisive role in this area is that of democratic institutions and the activities of the masses; the auxiliary role is played by the specialized machineries which, under contemporary conditions, must be highly skilled, specialized and equipped with computers and other facilities. Bureaucracy is the most primitive, the most inefficient, the most "wasteful" mechanism of social management. The size of the apparatus must be determined by the criteria of the efficiency of its work and "gross output" yardsticks are here totally groundless.

Another dangerous illusion is the view of the usefulness of extraordinary measures ("purges," campaigns) "in the struggle" against bureaucratism. Such measures are always incompetent and superficial. We must not forget our own historical experience: exceptional measures not only did not bring about the elimination of bureaucracy but contributed to the expansion and omnipotence of its most dangerous forms. We must not go back to the romantic views of the revolutionary years, when it seemed to many people that direct democracy and self-government by the working masses would be the shortest way to the withering away of the state, the law and the specialized administrative apparatus. In their time, such illusory slogans and hopes greatly contributed to the wrecking of the legal foundations of society and the discrediting of the very idea of legal awareness and legal state. Vulgar criticism to this day includes appeals to struggle against "paragraphs," "instructions," and "juridical chicanery" as some kind of supports of bureaucratism. Yet our society suffered the most and still suffers not from a surplus but from a scarcity of "paragraphs," if by this we mean sensible, strict and universally mandatory norms of the law.

It is clear now that the struggle against bureaucratism cannot be replaced in our society by any kind of "steps," however radical they may seem to be. It will be real only in the context of the entire process of a profound democratic reorganization of the social structures, from economic to legal and from organizational-party to foreign policy.

In this area the first and most difficult step which seems to be universally acknowledged is that of bringing down of the absolutist-bureaucratic system and eliminating the monopoly of the bureaucratic hierarchy on power, authority and truth. We are familiar with the main components of this process: the assertion of a socialist

state of law, the restoration of the political-vanguard functions of the party, the restoration of autonomy to public organizations, and the development of civic initiative and individual responsibility; efficient interaction among different forms of ownership and economic management in order to develop the initiative of economic subjects and to meet the needs of society; conversion of glasnost, freedom of speech and thought into the standards of a pluralistic, an open socialist society.

It is an open secret that bureaucratic transformation affected the party as well, distorting its inner life, which was manifested in replacing political leadership with administrative diktat and a deadening atmosphere of command and ostentatious unanimity of thought in its own ranks. By merging with the administrative system, the party inevitably loses political leadership, which creates a dangerous vacuum, particularly in the transitional age, in the areas of political will and awareness. The purpose of the consistent demarcation between state and party functions is to provide the state structures with the possibility of democratic development and to give the party itself the nature of a political power which can engage in an active dialogue with society.

This first step in surmounting bureaucratic domination, naturally, cannot be fast. In the best of cases it would take years. If we are able systematically to take this step, a beginning will be made in untangling of bureaucratic knots in the various areas of social life and the necessary foundation will be laid for the subsequent (in principle, not mandatorily chronological) step of waging a regular struggle against the variety of faces of bureaucratism and the customs and stereotypes of administrative and mass awareness characteristic of its style.

At all historical turns the inertia of style is a serious and dangerous force. It is the force of habit and the force of "those accustomed." It is simpler (although by no means simple) to deprive bureaucracy of its absolute power than to teach it how not to act as it did in the past, as though it held that same power in its hands. It is even more difficult to suppress the complexes of mass paternalistic awareness (today, after the first taste of glasnost, we hear complaints about the times when total absolutes protected the individual from excess information and responsibility....). It is as difficult to learn how to swim without going into the water as it is to acquire the ability, both on the "lower" and "upper" levels, to engage with dignity in a political dialogue without engaging in such a dialogue. In this area many people have to learn and are learning a great deal.

For decades the absolutist-bureaucratic system selected and shaped a social type of person consistent with the principles of officialdom's total power flowing "from the top toward the bottom," and official subservience "from the bottom upwards," and ostentatious obedient loyalty and militant incompetence (we are referring to a social

type which, incidentally, is not mandatorily limited to the "apparatus," for it exists everywhere and should not be identified in the least with individual managers).

This social type today is the main "live force" of bureaucratic inertia and, partially, of straight opposition to perestroika and new thinking.

No measures or sociohistorical changes would be able to eliminate bureaucracy from social life "to the end," or protect the social structures from the threat of bureaucratic degradation. Even the most consistent democratic system can only restrict bureaucracy without eliminating it. Actually, this is not a unique situation in the least: there are no social problems which can be solved immediately and once and for all. The question is on what basis could they be solved and on what they could not be systematically formulated and solved. Let us resort to technical analogy: even the most efficient machine is subject to the threat of corrosion and requires constant attention and counteraction. The task is to make such a "machine" truly efficient.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

#### **Returning To Water Problems....**

*18020018i Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 85-90*

[Letters responding to "New Approaches to the Solution of the Country's Water Problems", published in KOMMUNIST No 4, 1988]

[Text] Following are the initial responses to the talk with Academicians B.N. Laskorin and V.A. Tikhonov, entitled: "New Approaches To the Solution of the Country's Water Problems," (KOMMUNIST, No 4, 1988).

Exceptional circumstances and the particular importance of such problems have led us, chairmen of kolхозes in the Crimean Oblast, to write this letter.

The essence of the matter is the following:

Of late one-sided discussions on the allegedly negative influence of hydraulic reclamation of the land on ecology and the economic inexpediency of irrigated farming in our country have taken place in the press, including the authoritative journal KOMMUNIST. Such accusations are formulated, as a rule, not always by individuals who are competent in the area of reclamation and agriculture, who do this tactlessly and with an impermissibly irritated tone.

Some journalists have gone so far as to consider the long-term land reclamation program a "criminal action."

However, we are particularly concerned and alarmed by the article "New Approaches To the Solution of the Country's Water Problems."

In that article, the statements made by Comrades V. Tikhonov and V. Laskorin not only discredit familiar resolutions passed by the party and the government on land reclamation but also essentially lead to frustrating reclamation work in the country.

We consider this article harmful, for it contains more subjective emotions than healthy realism and constructive proposals.

The views expressed by the authors on water resources, the economic inefficiency of land reclamation, construction time and recovery of capital investments trigger amazement and regret because of their superficial views on the contemporary technology used in designing, building and operating irrigation systems and on the development of irrigated land.

The following question arises: What led to the appearance of such an unexpected "insight" on the part on individual scientists and journalists regarding land reclamation? In our view, this was due, on the one hand, to circumstantial considerations and, on the other, the incompetence and unwillingness on the part of individual specialists to realize that within an exceptionally short time a new very big sector—irrigated farming—was created in our country's European part.

This sector was born under difficult conditions, in the absence of ready-made prescriptions and developed scientific substantiations in various parts of the country (to this day the USSR Academy of Sciences has not developed such scientific concepts).

Naturally, this led to certain errors in the designing, building and mastering the use of the reclaimed land.

In the period of perestroyka and glasnost such errors became clearer, which was noted by some journalists and writers. Joining some scientists, they created a coalition of anti-reclamation workers and are trying to throw the baby out with the wash basin.

We state, responsibly, that irrigated farming, as the largest sector created in the country, is functioning and yielding great returns. It has become an objective reality, which should be acknowledged and taken into consideration!

Unfortunately, as we know, the anti-reclamation workers succeeded in creating a negative public opinion on the subject of land reclamation, which is an exceptionally important national economic sector, and hindering the solution of a number of long-term problems.

At the same time, let us note that, in our view, in the course of this discussion, an inadmissible discrimination has been artificially created, i.e., only individual journalists and scientists have been given access to the mass information sources, and production workers—reclamation and agricultural specialists—have been totally denied such access.

Thus, last year we wrote an article on the efficiency of land reclamation and the economics of irrigated farming. Although the article was approved by the agricultural department of the Ukrainian Communist Party Central Committee and the UkSSR Agroprom sent the article to IZVESTIYA and LITERATURNAYA GAZETA (which opposed land reclamation most sharply and critically), as it were, the article remained unpublished.

As you can see, in this case glasnost was turned upside down.

Unfortunately, for reasons we do not understand, the country's agricultural leadership which, so far, has not submitted to the press even once its own concept on the matter, assumed a neutral position.

We believe that a tremendous moral and material harm will be caused to our state as a result of the currently developing negative atmosphere concerning land reclamation!

Life and practical experience indicate that the further development of agricultural production is impossible without irrigated farming! This is also confirmed by the stable trend of broadening the areas in reclaimed land throughout the world.

Thus, whereas at the start of the 19th century irrigated land totaled 8 million hectares, while reaching 40 million at the turn of the 20th century, today it accounts for about 265 million hectares or approximately 20 percent of all cultivated area, accounting for one-half of agricultural production.

The following may be found in the section entitled "The Green Revolution," in the book *"There Is Only One Earth,"* which was commissioned to a group of scientists from more than 50 countries throughout the world by the United Nations: "It is absolutely useless to waste funds on the Green Revolution—on improving the quality of seeds, fertilizers, pesticides and agricultural cadres and expanding the system for the transportation and storage of goods unless we can reduce to naught the lack of rain when it is needed."

Such is the view of the most outstanding world scientists.

The Crimean Oblast is a clear example of the tremendous economic and social changes which have taken place as a result of land reclamation.

The droughty steppes of the Crimea, which include the main farmland, have suffered forever from drought, for the amount of precipitation here, even during good years, has not exceeded 300-350 millimeters.

Total drought may last as long as 96 days.

In the Crimea, more than 30 out of each 50 years are exceptionally droughty.

The landscape of the Northern Crimea was depressing and poor. This was frequently described by historians, writers and scientists (P. Sumarokov, D. Mendeleev, M. Gorkiy, A. Chekhov, P. Pavlenko, Academicians Ber and Gelmersen and others).

How depressing must have A. Chekhov seen this Prisivash Plain to compare it with the tundra.

Crimea and the tundra. These concepts seem totally incompatible. Nonetheless, the comparison was accurate.

In the past, when the land could not return even the seeds, entire villages withered away in the Prisivash area from hungry death. The Tauride steppes, dried out by the heat, hardened by the lack of water, were considered among the poorest and most difficult to farm.

On this subject, V.I. Lenin wrote the following: "Academicians Ber and Gelmersen, who are experts in this matter, have written that.... the Tauride steppes 'will always be classified among the poorest and hardest to cultivate because of their climate and water scarcity!'" ("Poln. Sobr. Soch." [Complete Collected Works], vol 17, p 70).

Furthermore, at the start of the 1950s, the noted writer P. Pavlenko, who studied the history of the Crimea, wrote: "Every since Russia became definitively established in the Crimea, for many years all that was said was that the Crimea lacks water, ...that the development of this peninsula is impossible without water.... Water one would think, is needed to the Crimea more than air."

Nonetheless, he said with hope and prophetically, that "a Crimea will appear such as has not existed in the past in nature and in history."

Yes, it was only the vivifying water that could reveal the fertile power of the Crimean steppe and turn it into a richest possible area for agricultural production.

The construction of the Northern Crimean Canal was undertaken in 1961; by 17 October 1963 (i.e., 25 years ago) a new age opened in the life of the peninsula: the people of Crimea welcomed on their soil the water from the Dnepr.

Water from the Dnepr! It not only brought to life the land but also brought to the depressing Crimean steppe great progressive socioeconomic changes. There where previously scant steppe vegetation grew, and weak crops were burned by the winds, we find today gardens, vineyards, vegetable and rice plantations, and high yielding fields planted in wheat, corn and perennial and seasonal grasses.

New and comfortable settlements and houses with all communal facilities were created here. Schools, palaces of culture, kindergartens and other cultural and sports projects were built.

As a result of land reclamation the total size of the population employed in the oblast's agriculture not only did not decline but increased by more than 200,000 people.

The contribution of the North Crimean Canal to our oblast can be clearly seen through the following data:

Since the beginning of irrigation in the SKK [North Crimean Canal] zone, gross agricultural output increased by a factor of 4.8;

Kolkhoz and sovkhos profits increased by a factor of 3.8;

Grain production doubled; meat production increased by a factor of 3.3; milk, 2.6; fruit, 5; and vegetables, 2.4.

It was only thanks to irrigated farming that feed production in the oblast increased by a factor of 3.3, which enabled us to increase the size of the cow herds by a factor of 3.7 and milk production per cow from 1,841 kilograms (in 1963, i.e., before the construction of the SKK) to 3,258 kilograms (in 1987).

Irrigated farming in the Crimea laid the foundations for guaranteed production of agricultural commodities. Suffice it to say that the oblast kolkhozes and sovkhoses obtain more than 50 percent of their gross crop output, including 93 percent of their corn, 85 percent of fodder root crops, 95 percent of the vegetables, 77 percent of the fruits and 70 percent of alfalfa hay from irrigated land which accounts for about 20 percent of the total arable land.

Every year we grow from each irrigated hectare as much as 50 quintals of grain, more than 60 of rice, about 80 of alfalfa hay and 700 of fodder root crops per hectare. The planned yield last year were achieved on 82.8 percent of the irrigated land.

In other words, each irrigated hectare in our country produces as much as four non-irrigated hectares.

The North Crimea Canal also solved the age-old problem of supplying with water the cities of Feodosiya, Kerch, Sebastopol, Simferopol and many other settlements in the oblast which had suffered from a shortage of drinking water for centuries.

Computations have proved that during the period of the development of irrigated lands in the area of the North Crimea Canal net income from irrigation exceeded 800 million rubles and that 90 percent of the capital investments in the construction of irrigation systems has been recovered.

Currently all labor collectives in our oblast are engaged in the difficult but irreversible process of renovation and perestroyka.

Under Crimean conditions, perestroyka in agriculture is impossible without the further development of irrigated farming. For that reason, we see the future of kolkhozes and sovkhozes only in the comprehensive development of agricultural production, the most important feature within which is land reclamation.

This is what objective reality tells us!

We invite all the leaders of the anti-reclamation group to visit the Crimean Oblast so that they can meet with the rural working people and ask them about the role and significance of land reclamation in their lives. We can assure you that all the residents of the Crimea (from the lowliest to the most important) will consider insane anyone who would label land reclamation a criminal action.

The North Crimea Canal is the present and the future of the Crimea. It will loyally and forever serve the people, it will work for communism and no subjective demagoguery will stop this process!

Naturally, our land reclamation work suffers from many shortcomings. It is unquestionably necessary for us to expose and criticize all negative phenomena. However, we firmly object to unrestrained critics who are engaged in forgeries or insinuations which disinform the public.

How can they not realize the simple truth that the hydraulic reclamation of the land under the conditions of a demographic explosion is the only alternative to the solution of mankind's food problem?!

"It is obvious to all of us," M.S. Gorbachev said in his meeting with the party and economic aktiv in Tselinograd, "that under the specific conditions of this country, with its sharp continental climate and frequent droughts, we cannot achieve stable agricultural production without land reclamation and, above all, without irrigation."

As the saying goes, this requires no comment.

We, kolkhoz chairmen, are particularly hurt and concerned about the fate of reclamation and of the unique irrigation systems which have been built and which could and should ensure agricultural output higher than in non-irrigated areas by a factor of 5 or 6.

We are deeply convinced that frustrating land reclamation would be considered by our descendants as the crime of the century.

Yours with sincere respect and good wishes:

**V.I. Krivorotov**, chairman, Rossiya Kolkhoz, hero of socialist labor; **F.P. Sakun**, chairman, Kolkhoz imeni Voykov, hero of socialist labor; **N.I. Bernatskiy**, chairman, Ukraina Kolkhoz, hero of socialist labor; **V.A. Kiselev**, chairman, Druzhba Narodov Kolkhoz; **V.M. Gorbatov**, chairman, Kolkhoz imeni Krupskaya.

\* \* \*

Unlike the approved concept contained in the report by Academician V.A. Koptug, a number of materials published of late claim that we have no scarcity of water resources, that this scarcity is fictitious and based on departmental interests. It is suggested that we abandon programs for the development of irrigation, drastically reduce the area of cultivated land and shift agricultural production to areas with "favorable climatic conditions."

What, actually, is the situation concerning water problems in our country?

The conclusion in the governmental commission's report is that the main source of water resources is the surface river stock totaling 4,740 cubic kilometers annually. Its breakdown by economic areas and within them is characterized by significant discrepancies.

Most of the rivers (about 85 percent) flow into the basins of the North Arctic (3,030 cubic kilometers annually) and the Pacific (950) Oceans. Some 750 cubic kilometers of water flow down the southern slope of the country through the basins of the Volga, Ural, Terek, Kura, Amudarya, Syrdarya, Dnepr, Dnestr, Don, Kuban and others.

The volume of water resources which can be used in the national economy is actually smaller, for the seasonal distribution of the flow does not coincide with the system followed in water use by the economic complex and because of the substantial changes in the amount of water carried by the rivers in the long-term. That is why water reservoirs, which accumulate water surpluses during high-water seasons and years, are of great importance.

The main trends in the economic and social development of the USSR in the 1986-1990 period and the period until the year 2000 call for doubling gross industrial output and increasing agricultural output by one-half. Within that period the population will increase by more than 10 percent. This objectively determines the additional need for water. It is obvious that even if all realistically possible measures are taken to conserve water, an increase in the overall water use is inevitable.

According to forecasts, taking the planned measures for water conservation into consideration, the overall use of water by the country will increase from 354 cubic kilometers in 1985 to 430 in the year 2000. This includes the fact that in the forthcoming period steps will be taken to reduce specific water consumption.

Irrigated farming is the biggest water consumer. This is understandable. Atmospheric precipitation is the main source of moisture in the soil. However, the physical geographic conditions in our country are characterized by a continental climate, the consequence of which is insufficient moisture for the growth of farm crops in the southern parts of the country, on the one hand, and insufficient warmth and excess moisture of the soil in the northern parts of the country, on the other.

In the overwhelming majority of countries throughout the world a steady increase of the area in reclaimed land has meant stable agricultural development.

Currently 84 to 96 percent of the entire farming output in Central Asia comes from irrigated land.

Large farming areas in our country are located in areas which are either insufficiently moist or droughty. This applies, above all, to the largest areas for the production of commodity grain, such as the Povolzhye, Kazakhstan, the Northern Caucasus, the southern part of the Ukraine, Moldavia, and others. As much as two-thirds of the total farmed land is in an area with insufficient moisture. Forty percent of the arable land is located in droughty climates with precipitations of under 400 millimeters annually. The periodical droughts occurring here lead to unstable agricultural production and, with it, an unstable economy for the country as a whole. Such phenomena should be considered not accidental years "adverse in terms of weather conditions," but as stable phenomena, occurring 3 to 5 times per decade, with a repeated cycle, which is a characteristic feature of our climate.

Nor should we pit irrigated farming in the droughty areas against so-called "dry" farming.

It is not only grain crops that are low because of the instability of the water system. Great harm is caused to the fodder base of animal husbandry, the consequences of which are subsequently reflected in the animal husbandry farms over the several following years.

The agroclimatic conditions in our country are significantly worse than in the agricultural areas of the United States, Latin America, India, China, and so on. Such objective circumstances must not be ignored. Accordingly, the report of the commission chaired by Academician V.A. Koptug includes the unanimous conclusion that work on the irrigation and draining of land, as part of a broad program of land reclamation, must remain an important factor in upgrading the stability of agricultural production under the difficult natural and climatic conditions of our country.

Reclamation was suitably developed in our country starting with the May 1966 CPSU Central Committee Plenum. However, it is essentially the same individuals who oppose reclamation in the press. The computation is simple: by reducing the cultivated land by one-half we must double yields per hectare or else reduce food consumption. The latter drops with shortages in agricultural commodities. Therefore, yields must be doubled. How to accomplish this? The authors of such "daring" ideas offer nothing constructive. They call for reducing the cow herd by one-half in order to lower feed outlays!!!

To reduce the area in crops, as is sometimes suggested, is a simple matter. However, increasing the area of arable land, intensive hay production and pastoral land without reclamation is virtually impossible to accomplish.

In 1960 per capita cultivated land in our country averaged 1.05 hectares, compared to 0.78 today, i.e., less than in countries such as Australia, Canada, Argentina, and others.

The condemnation of farmland for the building of settlements, roads and other projects was essentially compensated by reclamation. Between 1966 and 1985 the amount of farmland increased by 7 million hectares thanks to reclamation.

Currently irrigated and drained farmland, which accounts for 11 percent of the total cultivated land, accounts for one-third of the overall farm output in terms of value. It is thanks to it that the country obtains its entire cotton and rice crop, three-quarters of the vegetables, one-half of fruits and grapes, 25 percent of rough and fresh fodder and many other commodities.

Capital investments in land reclamation yield high returns. Between 1971 and 1985 each ruble of capital invested in the reclaimed land yielded 69 kopeks worth of crop growing, compared with 11 kopeks averaged by unreclaimed areas.

The efficiency of the utilization of fertilizers on irrigated land is much higher than on non-irrigated land under droughty conditions, as confirmed by the experiments conducted by the Irrigated Farming Scientific Research Institute of the Ukraine, under the conditions of Khereson Oblast. Here fertilizers without irrigation yielded 24 quintals per hectare of green corn; irrigation without

fertilizers yielded 106 quintals while the combined use of these factors added 304 quintals per hectare, or 173 quintals above the sum of these two factors applied separately.

The Belorussian Polesye, where more than 1 million hectares of swamps have been drained, has become an area of highly efficient agricultural production as a result of land reclamation. Land productivity here has increased by a factor of 5-6; labor outlays in grain production are one-half and potatoes two-thirds lower than on nonreclaimed land.

It is very important to apply the full dose of fertilizers on reclaimed lands, strictly observing all requirements of progressive agrotechnology. This is a major reserve for increasing yields from irrigated farming. In practice, however, such reserves are not fully used. This is a major shortcoming in the utilization of reclaimed lands and one of the reasons for the slow reaching of planned yields.

We are aware of other major omissions and shortcomings in developing and using the renovated land. We realize that the fuller use of the possibilities provided by reclaimed land would result in significantly higher yields.

Great attention must be paid to selection work, especially in irrigated farming. This includes the use of highly productive and salinization-resistant strains of farm crops.

Plans for the building of reclamation systems are by no means fulfilled in all aspects. Work on the reconstruction of the old irrigation systems is developing very sluggishly. Unjustified waste of capital investments is allowed to occur, cases of substandard construction are still to be found, substantial shortcomings exist in the use of reclamation systems, and water resources are used wastefully.

A significant amount of irrigation equipment available to the farms is idling because of breakdowns and malfunctions and the shortage of spraying machine and pumping station operators. A substantial share of irrigated and drained land has been unsatisfactorily reclaimed.

One of the most important problems in the scientific substantiation of hydroengineering reclamation is the preservation of the environment in the course of reclamation.

The problem of the pollution of surface and ground waters with soluble salts, toxic chemicals and fertilizers is particularly pressing.

Reclamation makes changes in the soil cover, water resources, the climate, the topography and the plant and animal world as well as other components of the landscape not only in the improved but also in adjacent territories.

In previous reclamation projects of individual areas, such changes were of local importance. With the expansion of such projects they assume a complex topographic nature and by no means are such changes always negative. Thus, compared to the mid-1960s, in the Lithuanian SSR, in recent years, the influence of reclamation on nature has increased substantially. Here 2.6 million hectares of excessively moist farmland has been drained. As a result, yields have increased significantly.

Let us note that at the present time the contemplative attitude toward nature has still not been eliminated; views are expressed that nature should be protected from any kind of change. Opposition to any reclamation is voiced under the slogan of environmental protection.

In the arid zone, when irrigation projects are carried out and with an inefficient approach to the substantiation, planning and implementation of the projects, negative consequences are possible, such as raising the level of ground waters, flooding of areas and secondary salinization. However, contemporary reclamation science and practice have at their disposal a wide set of steps which enable us to block negative phenomena as confirmed by the example of the Golodnaya Steppe.

Of late a number of publications have dealt with the problem of the Aral Sea. For many years this undraining water reservoir received and evaporated the flow of two of the largest rivers in Central Asia—the Amudarya and Syrdarya. Currently 7 million hectares are being irrigated in the Aral Basin, accounting for the production of 90 percent of the cotton, about 40 percent of the rice, 25 percent of the garden crops and 32 percent of the fruits and grapes produced nationally. As a result of irrigated farming more than one-half of the region's national product is generated. However, errors were also made in the development of the land, particularly in the area surrounding the Aral. Industry and the communal economy account for a large share of the aggravation of the water situation in the basin of the Aral Sea.

Practical experience has confirmed that there are no insoluble contradictions between the economic development of natural resources and ecological requirements. Problems of environmental protection, the efficient management of natural resources and their economic utilization could be solved through specific development programs.

We do not wish to be understood as though claiming that all problems have been solved. A great deal of problems have accumulated. Such problems exist everywhere, in

all areas of our life and economics, as well as in reclamation. Had there been no difficult problems perestroika would not have been necessary. Perestroika in the area of reclamation means a change in investment policy, giving priority to rebuilding the obsolete systems, applying the new economic mechanism and formulating economic incentives for efficient utilization of the water, including paying for it, the accelerated application of the achievements of science and progressive technology, and the creation of essentially new water and power conservation means of irrigation, automation, and the computerization of water allocation and irrigation.

Agricultural and reclamation science was thrown back by several decades after the August 1948 VASKHNIL Session. The tremendous efforts of scientists and practical workers were needed to resume draining. Currently extensive draining projects are being carried out everywhere. However, the fact is that for a long time this was neglected, and that essentially it is only now that the production of draining pipes and contemporary mechanisms for draining irrigated land is being organized. There are no modern mechanisms for the maintenance of reclamation systems. No resources are being allocated for repairs, and the systems break down prematurely, which leads to the exaggerated concept of the volumes of reconstruction, something which would have been unnecessary with a systematic exploitation of the systems on the basis of scientific regulations.

The main requirement of the present, under the conditions of a stressed water balance, is to ensure the guaranteed supply of water to the developing national economy of the country, to improve the social living conditions of the population, to observe ecological requirements and to prevent the pollution and exhaustion of water sources.

No economic sector can develop without water, nor can many of the country's social and economic problems be solved.

It is unnecessary to cite figures to prove that the availability of water is not the same in the various natural and economic parts of the country. There is a lack of water in desert and semi-desert areas and the dry steppes; in many areas with sufficient water, the quality of the water leaves something better to be desired and does not meet requirements. This is clear to anyone, this is axiomatic. What are the possible ways of upgrading water supplies for the national economy? The main one is to reduce water consumption by industry, the power industry and agricultural and communal facilities; to eliminate discarding untreated water in rivers and water reservoirs, to locate water intensive sectors in industry and power generation in areas where water is abundant, and to increase available water resources by further regulating the river flow and waging a struggle against all kinds of water losses.

Equipping all water collection facilities in irrigation and industry with reliable water meters with microprocessors is an urgent task.

In short, there are numerous problems which can be resolved by the entire people calmly, without engaging in endless debates instead of doing practical work.

Unfortunately, not everyone understands this. The clear and specific concept contained in the report, which was approved by the USSR Academy of Sciences and VASKHNIL Presidium, was countered in Issue No 4 of *KOMMUNIST* with the subjective position taken by Academicians B.N. Laskorin and V.A. Tikhonov. This view was not supported by the commission. We do not oppose discussions. B.N. Laskorin and V.A. Tikhonov have the right to their viewpoint, although they are not specialists in reclamation and water resources. In this article we, scientists who have spent our entire lives in the study of water problems, are presenting not only our own viewpoint. We have also presented possible ways of solving problems as jointly formulated with our colleagues from different sectors of the national economy. This may not be the final truth but is a reflection of the existing situation and of the concern of those who work our land in droughty steppes, and waterless deserts, where they grow the vital grain for the country. Let us work jointly for the sake of the noble objectives to which they are dedicating their difficult labor.

VASKHNIL Academicians: **B.B. Shumakov, Ts.Ye. Martskhulava, A.I. Murashko and L.G. Balayev;**

VASKHNIL Corresponding Members: **L.I. Druzhinin, A.M. Mukhamedov, N.R. Khamrayev and B.G. Shtepa;**

Doctors of Sciences: **P.Yu. Balzaryavichyus, A.I. Golovanov, I.P. Kurzhiin, V.F. Karlovskiy, P.I. Kovalenko and B.S. Maslov.**

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

#### **Working At One's Job: Specialists Comment on Readers' Letters**

*18020018j Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 91-94*

[Text] In my letter, I would like to touch upon a most painful problem in all of the production links, and, I think, a very important problem, regarding assigning the members of various collectives away from their direct production duties. This is not stopping, even during restructuring. While realizing that the mechanism of "command" assignments, which has formed over decades, cannot be changed suddenly, all the same one would expect the beginnings of a struggle against this faulty and economically unjustified practice to appear. After all, what could be more natural than the thoughtful, conscientious and systematic fulfillment of one's



own direct production responsibilities? It is quite obvious that large-scale planning loses its effectiveness and that the possibility of precise control and of demand upon the executor disappears in the labyrinth of such assignments of workers.

As a rule, the following paradoxical situation occurs: the labor collective is faced with tasks of achieving goals in the necessary mode of acceleration and restructuring; these tasks are established and personal responsibility for their fulfillment is designated in regular party meeting resolutions; however, a day or two later the leader of the collective receives instructions from the party committee to "detail" some people to a kolkhoz, others—to a vegetable depot, still others—to a construction site, etc. It is noteworthy that these instructions occur in parallel, without intersecting the above-noted production resolutions, which are neither postponed nor decreased. Everything must be fulfilled within a time period, although no one ever considers whether or not it is possible to fulfill all of this. As a result, the collective finds itself in an stubborn network of instructions which do not take each other into account, the implementation of each of which is strictly looked after by a properly responsible socially-minded person. As a rule, control is his basic responsibility in production, therefore he does this conscientiously, even though it is not his own job. As far as his other direct responsibilities are concerned, it is better not to mention them. In such cases, the labor collective leader runs into a wall of incomprehension. The more experienced leaders do not even try to pierce this wall. They solve the problem according to the principle: the most important thing is that for which they are "whipped" the hardest. However, since, as a rule, the fulfillment of such assignments is more strictly demanded, these problems are thus considered the main ones. It is difficult to overestimate how badly basic production work suffers because of this.

Such a system works particularly easily wherever it is difficult to account for production, primarily in scientific research institutes and educational institutions. Here the following formula operates: as many people can be taken, when and where one pleases. After all, the world will not stop if the study schedule at a VUZ or technicum is violated, if the discovery of new technology in a laboratory does not occur or is delayed, or if a scientific monograph remains unwritten. At least the builders will construct their building on time, the tomatoes at the storage depot will not rot, etc. It is too bad that the reports do not indicate how many ignorant people graduated from an educational institution or how many "forgeries" filtered through into scientific works. Another question also arises: is the situation with the training quality of young specialists and in our scientific research production really so good, that we can utilize workers in this area so wastefully?

The moral and psychological aspect also has great, if not primary, significance. A worker, constantly torn away from his work, not only loses his skills, but becomes

disillusioned with the need for his own basic work. In this regard, young specialists who are in their probationary work period, and thus are the first and irreplaceable candidates for assignment, suffer particularly strongly.

There is a concept in science, relating to various energy and information processes, known as entropy, which philosophers identify as the factor of a system's disorder. An increase of entropy causes the system to become less able to function. It seems to me that this basic law of thermodynamics can also be applied to the social sphere: the increase of disorder (entropy) within it inevitably leads to the impossibility of goal-oriented labor. I presume to assert that these assignments contribute to the greatest extent to increasing the entropy of the social sphere, and therefore hinder restructuring.

This problem has been dealt with in our press, but the frequent and sometimes sharp articles, unfortunately, have not brought about any effective measures whatsoever to this day. Today, we all need to put the slogan "Work at Your Own Job" into practice.

I am head of the general chemistry department at the Kiev Polytechnical Institute. I constantly experience cause for writing this letter in my own work. I am sending this letter in hope of its party discussion and of obtaining recommendations in answer to this question: must we struggle against this system of endless assignments, and how can this system be opposed? (P. Krasutskiy, doctor of chemical sciences, Kiev).

This letter condenses the questions that our readers periodically bring up in one form or another. However, the approach to them has been different of late. Not long ago people also wrote with regard to this problem, but even realized themselves that no other method of "patching the holes" even, perhaps, exists under the command methods of economic management. The practice of assignments, started under the administrative system of management, has become one of the means for keeping it "afloat" in the incessantly arising critical situations. Discussion of the problem had begun to seem hopelessly "trite" and unpromising.

Now the situation is changing. Social opinion about possibilities for solving this "traditional" problem and the need for such a solution is changing as well. The journal's mail reflects this.

As one of our readers truthfully observed, "the practice of assignments has been placed in a new context—that of cost-accounting, rigid requirements for efficiency and quality, and the intensification of production. It is becoming not only a squandering of public capital invested in training the worker, but also a direct blow to the specific collective's interests. After all, if the delivery schedule is upset or worthless goods are produced, highly tangible financial difficulties will be encountered" (A. Fadin, Moscow).

In pondering this situation, the readers ever more often have begun suggesting ways to solve problems, debating, asking... None of them defend the system of assignments, with a single exception—Muscovite Ye. Nestorova. She writes: "When one observes the indignation of a certain segment of students and specialists at the fact that they must do 'dirty' physical work, one reaches the conclusion that this is a manifestation of the lordliness against which the revolution was fought... The attitude toward labor has been so strangely transformed, that it is considered immoral if it is not paid!... Upbringing ought to be oriented toward the future, and should not lag behind today's economic tasks."

Many of our readers would be able to answer this writer. For instance, would she trust her life to a doctor who had spent much of his time in his student days not in a clinic or lecture-hall, but picking cotton, where he lived in a stable or a cattle barn? After all, precisely this is mentioned in a letter from the Tashkent Medical Institute. This labor cannot be considered free either: for workers at one Tashkent plant (reported in the same letter) a wage was paid during the entire period of assignments—for actually unproduced and undelivered products. Moreover, in 1985 urban residents of Uzbekistan spent almost 6 million man-days in agricultural work, yet the republic's economy paid them, judging by the books, over 160 million rubles (more than 27 rubles apiece per day). In fact, they received far less and the question of where the remaining funds went is one the investigative agencies must solve. Such a "moral" atmosphere is the virtually inevitable attendant of assignments.

Many questions in the editors' mail relate to the lack of any sort of juridical norms in this area. Some refer directly to the KZoT, which simply prohibits the administration "from demanding that a worker or employee fulfill work not stipulated in the labor contract," i.e., an agreement "according to which the worker is obligated to perform work in a certain field, skill or position..."

The editors have asked specialists in labor relations problems to comment on the most typical letters and to express their own attitudes towards the assignment problem and the possibilities for solving it. Here are their opinions.

*I. Manykina, head of the USSR Goskomstat Labor Statistics Administration, candidate of economic sciences:*

The scale of assignments of workers away from their direct production duties is tremendous. For this reason, about 700,000 people are absent from their own jobs every day. According to last year's data, there were 1.7 days of assignment per worker for the national economy on the whole; 2.6 days, in industry; 1.5, in transportation; and noticeably more in scientific research institutions—4.3 days. They try to assign groups with relatively low wages, in such a way that the consequences will not appear immediately. Nonetheless, 1.5 billion rubles are spent annually in payment as wages to people at their

basic work place alone. Another thing is alarming as well: all too frequently, these outlays turn out to be senseless, because of the inefficient utilization and poor labor organization of the recruited workers.

The following table shows the structure and dynamics of assignments best of all:

	1985	1986	1987
Total assignments away from basic job, million man-days	227	207	197
including:			
For agricultural work	112	98	96
Fruit and vegetable depots	12	10	10
Construction projects and urban improvement	35	35	32
Others	68	64	59

It is necessary to struggle against the practice of endless assignments: it is fundamentally incompatible with cost-accounting. However, it is difficult to eradicate it all at once; a differentiated approach is necessary. Suppose that the spread of the brigade contract in construction makes it possible in a short time to reject the recruitment of additional workers. It is difficult to justify a need for their use in vegetable depots as well. At one time in Kurgan, the comprehensive mechanization of labor-intensive processes and application of advanced technologies for storing potatoes and vegetables conclusively confirmed that "recruits" were superfluous in this case. A great deal depended on the efforts of the party gorkom and gorispolkom. However, it is dangerous to rely exclusively on support and understanding from above—after all, even the Kurgan experiment, approved by USSR Goskomtrud, nevertheless came to nothing, sharing the fate of technological changes which are not supported organizationally and economically. Matters with the recruitment of work forces in agriculture are more complex. For the time being, it is impossible to manage without this in many places during stressed harvest times, etc. One can agree with those readers who suggest introducing economically substantiated payments to the recruited work force. This would assist in asserting contract forms of agricultural labor organization. Of course, the practical implementation of cost-accounting interrelations between those who provide the work force and those who use it, stipulated by the Law on the Enterprise, would have decisive significance.

*Ye. Antosenkov, director, USSR Goskomtrud Scientific Research Institute for Labor, doctor of economic sciences:*

The law requires that assignments be implemented on the basis of economic contracts. However, in most cases the "customers" refuse to reimburse the expenses. They are convinced that the "sponsors" should do everything for free.

Even if the labor of the recruited workers is poorly organized, it does provide some results all the same. If these results are actually put into the "customer's" account, the "customer" is transformed into an employer and moods of dependency and parasitism arise. Moreover, since no one bears material responsibility for assigning people away from their basic jobs, such assignments almost doubly exceed realistic needs. Moreover, those who request or demand assistance more often than others are the least concerned with efficient utilization of their own labor resources. In agriculture in the USSR in 1987, losses of work time due to idleness, absenteeism, and failures to appear at work with authorization by the administration exceeded those in industry by a factor of 2.4. However, I think that there is no need to explain where the additional work force is recruited to and from.

Under cost-accounting conditions, local party and soviet agencies can no longer remain akin to dispatchers, making and implementing orders practically without analyzing their grounds. According to the Law on the State Enterprise, assignments are now possible through decision by the local soviets. They must both analyze the balance of supply and demand for additional work force and also determine the optimal sources for its recruitment, since, according to our estimates, 25-30 percent of the present number of assignments will still be unavoidable for a certain period of time.

Only comprehensive measures will help to radically solve the problem: restructuring the entire system of labor organization and incentive, the introduction of contractual principles at all levels of enterprise management, and extensive use of equipment and technologies which reduce the need for manual labor. Only effective and full cost-accounting will make it possible to achieve all of this. However, it is also difficult to switch enterprises over to real independence, without having solved the assignment problem. One would imagine that the assertion of normative and legal documents, which implement cost-accounting principles for using the recruited work force, would help to break this vicious circle. After all, today all assignments are formally still beyond the sphere of legal regulation of labor relations and are treated as "social work," "sponsorship aid," etc. In fact, of course, assignments are economic in nature.

*L. Kostin, first deputy chairman, USSR Goskomtrud, doctor of economic sciences:*

An important aspect of the problem is related to efficiently utilizing the country's labor resources, improving of employment structure of the population, reducing staffs and changing the functions of different categories of workers at enterprises, institutions and organizations. After all, staffs are frequently excessively large because the enterprises need a permanent reserve of workers in case of assignment. Even after the first reductions, such "surpluses" (quite necessary in some sectors, for

instance, in the service sphere) are preserved. Incidentally, although assignments have been reduced somewhat over recent years, they still remain significant and, according to our data, involve approximately 1 million people annually. It is simply that not everything is shown in state records. Such deformations in the overall picture of labor resource utilization in the country in many respects complicates the forecasting of processes for the liberation and redistribution of the work force and for intensifying labor potential. Thus, in the course of the economic reform, the assignment problem is regularly aggravated and changed by all of its new aspects.

We have prepared a draft proposal on a procedure for fulfilling work not provided for in the plan according to economic contracts. It has been discussed in many labor collectives. Various suggestions on the procedure and the amount of compensation for expenses have been made—at the expense of the state budget or by increasing the purchase prices for agricultural production; or at the expense of sovkhozes and kolkhozes. Of course, it is impossible to agree with the first position, which contradicts the essence of the new economic ideology. However, the second can also cause irreversible damage to the economy. We were forced to seek a mutually acceptable compromise variant, which we have tried to incorporate within the above-mentioned draft.

What is the basis of this document? Undoubtedly, a recruited work force should cost a farm more than its own. It is justified in asking the soviets for assistance only when its internal brigade cost-accounting and contract reserves have been maximally utilized. The labor of recruited workers should be paid for according to rates and norms existing in the agrarian sector, otherwise its effectiveness will become extremely low. In this regard, the possibility of payment in kind according to prices no lower than the planned product cost price is also stipulated. Other variants are also possible. This year during the harvest period, partial compensation of expenditures in paying for the labor of people recruited for agricultural work has been stipulated. The enterprises and organizations for which such work is performed guarantee a 75 percent payment to machine-operators and drivers, and to other workers—50 percent of their average earnings at their basic work place.

In general, the specific sums and time periods for the compensation for expenditures, and the amounts and time periods for the proposed work should be stated in a contract, agreed upon by the labor collective councils of the "customer" enterprise and the "executor" enterprise. In the event of a refusal to compensate for expenses stipulated by the contract, the "executor" gains the legal right to refuse work not stipulated in the plan.

Legal enforcement of such norms not only makes it possible to regulate assignment through economic methods, but will also contribute to the more extensive application of the experience of those farms, vegetable depots, etc., which, based on contract principles, recruit

a work force organized not "from above," but from individual citizens: retirees, housewives, students, and workers and employees on vacation or in their free time. Obviously, it makes sense to allocate a special fund for those units of the agroindustrial complex which experience seasonal needs for additional work force, not specifying whether the labor of recruited citizens or that of the farms' and enterprises' own personnel should be paid for overtime work from this fund. I think that the assertion of these proposals would also lead to the more active use of contract forms, would accelerate the transfer of plots of land and production means into lease both to permanent brigades and family labor collectives, as well as to temporary ones (particularly in labor-abundant regions). All of this would enable the more effective use of labor resources and the more successful solution of an entire spectrum of not only economic, but also social problems.

**The practice of assignments is incompatible with the tasks of the economic reform—this is the common opinion of the specialists, who share the concerns of our readers. It is important to improve the legal norms which regulate the fulfillment of work not stipulated in the plan, and to strictly observe the procedure in the Law on the State Enterprise, which stipulates that the "customer" should compensate for expenditures. Responsibility for this is placed upon the local soviets of people's deputies. The real way to reduce tension in such matters is to assert progressive forms of labor organization based on cost-accounting and cooperative principles. The more confidently this process takes place, the more reliable another practice becomes: working at one's own job.**

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

### **Development Trends in Contemporary Mathematics**

*18020018k Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 95-103*

[Article by Vasily Sergeyevich Vladimirov, deputy academic secretary, USSR Academy of Sciences Department of Mathematics, director of the USSR Academy of Sciences Institute imeni V.A. Steklov, and Lyudvig Dmitriyevich Faddeyev, academician, president, International Mathematics Union, deputy director of the same institute (Leningrad Department)]

[Text] The concept of accelerating our country's socioeconomic development, drafted by the 27th CPSU Congress, is based upon the utmost possible utilization of the achievements of scientific and technical progress. Therefore, the priority development of basic sciences, which play a leading role in establishing the overall laws of the material and spiritual world, was given particular significance in scientific and technical policy.

The CPSU Central Committee and USSR Council of Ministers 13 November 1986 decree on strengthening scientific research work in the field of mathematics is a clear manifestation of party and state concern about basic research in the Soviet Union. It is aimed at the progressive development of mathematical science, the preservation of its leading position among the natural disciplines, at gaining new and higher positions in world science, at overcoming the lag which has been noted in some areas of theoretical and applied mathematics, and at raising the prestige of the mathematics profession.

Why has such close attention been devoted precisely to mathematics? The fact is that it objectively occupies a special place among the basic sciences, being a universal language for describing various processes which occur in nature, engineering and society.

In recent decades scientific progress has shown that mathematical methods, originally discovered and developed for problems in physics, mechanics and astronomy, i.e., for studying the simplest forms of the movement of matter, are being successfully used in almost every area of contemporary natural sciences and engineering, as well as in a number of humanitarian disciplines. Mathematical modeling is broadly used in geophysics, atmospheric and oceanic physics, geology, chemistry, biology, management and communications theory, ecology, economics, medicine and linguistics. Without it, modern production and the creation of the latest types of equipment and progressive technologies would be inconceivable. "Not one of the natural sciences, if it is not a question of gathering raw material, but of true creativity, can get by without mathematics—the mother of all sciences," wrote Academician V.A. Steklov in 1921.

The powerful methods of contemporary mathematics make it possible not only to study mathematical models of complex systems and processes, but also to forecast new phenomena or objects. The use of computers has considerably expanded the classes of mathematical models, permitting detailed analysis. Without exaggeration, one could say that the level of development of a science is defined by the level of the mathematical methods used within it. This confirms K. Marx's viewpoint, to the effect that "science achieves perfection only when it succeeds in using mathematics" ("*Vospominaniya o K. Markse i F. Engelse*" [Recollections About K. Marx and F. Engels]. Moscow, 1983, part 1, p 144).

What is mathematics? What is its origin and place in contemporary science? What is its structure and language? What are its development tendencies? What must be done to accelerate it? We will try to answer these questions by illustrating them through a number of typical examples from past and present mathematics.

F. Engels essentially gave its contemporary definition in "Anti-Duhring:" "Pure mathematics has as its object the spatial forms and quantitative relations of the real world, consequently—extremely real material. The fact that this

material adopts an extraordinarily abstract form can only slightly conceal its origination from the outer world. However, in order to study these forms and relations in a pure form, it is necessary to completely separate them from their contents, and to put the latter aside as something indifferent..." (K. Marx and F. Engels, "*Soch.*" [Works]. Vol 20, p 37). Engels' statement is the basis for the definition of mathematics contained in the Great Soviet Encyclopedia: "Mathematics is the science of the quantitative relations and spatial forms of the real world." In proportion to the expansion of the limits of our knowledge about nature, engineering and society, the supply of mathematical objects—quantitative relations and spatial forms—continually expands, so that the general definition of mathematics is being filled with an ever-richer content; new fields in this science keep springing up.

Mathematics, the oldest of the precise sciences, originated out of a need for accounting, measuring the earth, navigation and astronomy (making calendars). Even in Babylon, ancient Egypt and China they knew the abstract properties of integers and the elements of geometry. In ancient Greece, the foundations of arithmetic and geometry were laid, the elements of algebra and analysis appeared and mathematics took on a logically structured form. Over 1,000 years ago, the center of mathematical thinking moved to Central Asia, where algebra was developed particularly fruitfully. During the Renaissance, mathematics returned to Europe. In the days of Newton and Leibnitz it was enriched by a new area—differential and integral calculus, which are the basis for that which we now call analysis. It was precisely then that the tempestuous application of mathematics to mechanical and physical tasks began, as a result of which mathematical physics and the bases of mathematical modeling appeared.

Mathematics acquired its present form thanks to work by many eminent scientists in the 19th and early 20th centuries, including K. Gauss, N.I. Lobachevskiy, A. Poincare, P.L. Chebyshev, B. Riemann and D. Hilbert.

Mathematics in Russia begins its history with L. Euler, who worked during his best years at the Peterburg Academy of Sciences. It was precisely Euler who determined the basic characteristic features of the Russian school of mathematics, which relates primarily to the harmonious combination of theoretical studies and applied work. The last century gave us noteworthy names—N.I. Lobachevskiy, P.L. Chebyshev and A.A. Markov, and at the beginning of this century A.M. Lyapunov, N.E. Zhukovskiy, V.A. Steklov and many others worked actively.

Mathematics in the 20th century is being developed at ever-increasing rates, and today thousands of mathematics specialists work throughout the world. However, its logical outline and methodology, which took shape during the classical period of its development, have turned out to be exceptionally stable and creatively rich.

Additionally, in a certain period a tendency was noted for mathematics to branch into separate fields with a high degree of abstraction and isolation from its own natural applications. The most brilliant reflection of this process is found in the multi-volume series of mathematical monographs of the French school, published under the pseudonym N. Bourbaqui.

In the latter half of the 20th century, the reverse process is beginning—the blurring of distinctions between theoretical ("pure") and applied mathematics: once again it is merging into a single science, mutually enriching and developing each other. The greatest scientists of our time and the outstanding organizers of science I.M. Vinogradov and M.V. Keldysh have repeatedly spoken out in favor of the unity of mathematics—theoretical and applied.

Moreover, in theoretical mathematics itself the traditional divisions into algebra, geometry and analysis are being erased and intermediate areas are arising—differential geometry, algebraic topology, algebraic geometry, Banachian algebra, etc. The most profound discoveries and strongest results in mathematics, as well as the solution of difficult classical problems, require the synthesis of methods from algebra, geometry and analysis, at times using a computer.

Mathematics and its methods have become an important part of science, engineering, practical activity and everyday life. Various types of computers are extensively used not only in scientific, but also in medical, administrative, cultural and everyday establishments, and in factories, plants, sovkhozes and kolkhozes. Schoolchildren particularly enjoy working with computers. Engineers use pocket calculators instead of slide rules, students—instead of Bradis tables.

During the process of such intensive interaction between mathematics, specific sciences and computer methods, qualitatively new classes of models for contemporary science are being created and studied. These models are often described in a highly complex and abstract language. The high level of abstraction makes it difficult for an inadequately trained specialist to comprehend mathematics, frightens off the inexperienced and erects a unique barrier between mathematicians and non-mathematicians. The lack of profound study of the causes of these unfavorable phenomena leads in a number of cases to the disillusionment of users with the possibilities of successfully solving applied problems using mathematical methods.

In this connection, it is important to emphasize the tremendous and growing role of the popularization of mathematical sciences. This should be organized in many directions and levels, and should be addressed in definite ways to the mass audience, as well as to schoolchildren, students, engineers and, finally, to mathematics students and even to mathematicians themselves.

Of course, mathematics is not omnipotent. In order to succeed in one area or another, in addition to mathematical methods, one must have a sufficiently large reserve of facts and laws which can serve as the basis for a high-quality mathematical model. Conversely, as a consequence of the hasty application of mathematical methods and computers without knowledge of the laws in the system being studied, incorrect practical recommendations may be made. For example, this was the situation with the project of diverting the waters of northern rivers to the south. It would be appropriate to recall the words of Academician A.N. Krylov: "Mathematics, like a millstone, grinds that which is put under it, and thus, having put goose-foot under it, you will not obtain wheat flour. Thus, having written out entire pages of formulas, you will not obtain the truth from false premises."

Many mathematical theories originated as the products of "pure" mathematics, with no essential applications. However, many of them are finding the most diverse applications in the subsequent development of science. For instance, the number theory, the oldest theory of mathematics, has had no applications for millennia. Currently, the theory of coding, used to solve very important national economic and defense problems, is based on the properties of prime numbers.

Group theory is extensively used to describe symmetry in physics and chemistry, the prediction of new particles, hypothetical quarks, etc.; the theory of automata and of Boolean algebra—in the design of computers; Banachian algebra serves as a basic algebraic approach to the quantum theory of fields and quantum statistics; and super-analysis is used to describe the Yang-Mills supersymmetrical calibration theory of fields and superstrings. More examples could easily be cited. We shall consider some of them in more detail.

However, there are also mathematical theories which, for the time being, have not yet been applied. Nonetheless, these comprise an organic link in the integral edifice of mathematics and in time many of them, as the history of scientific development indicates, will certainly find application.

Furthermore, tasks in natural science stimulate the appearance of new fields in mathematics which, having achieved a developed state, are in turn used in the natural sciences at a higher level. To confirm this, we shall cite classical examples from the history of mathematics. Geometry in the ancient world, born through the need for measuring the earth and navigation, was axiomized by Euclid and reduced to five postulates, which every schoolchild knows. However, the fifth (the non-intersection of parallel lines) evoked dissatisfaction among geometers. Over the course of 20 centuries they tried to reduce them to the first four postulates. The independence of the fifth postulate was shown in N.I. Lobachevskiy's revolutionary proposal, and a variant of

consecutive geometry was designed in which it is violated. Riemann developed this new geometry, but all the same it remained an exotic example. However, it acquired its own natural place in Einstein's theory of gravitation.

Another classical problem that occupied the minds of scientists of antiquity and the middle ages was related to solving algebraic equations. In solving it, E. Galois created the concept of the finite group, and the transfer of Galois's ideas by S. Lie into differential equations led to the theory of continuous groups. Today this theory comprises the basis of crystallography, concepts of hard body symmetry and the classification of elementary particles.

Now, let us give several examples pertinent to our time and dear to the authors' scientific interests. Thus, the theory of functions of multiple complex variables, which previously had no important applications, has gained new development in the analysis of the model which provides a relativistic description of quantum processes in the interaction among elementary particles. Science is indebted for this result to N.N. Bogolyubov, who in the 1950s discovered and founded a new principle for the analytic continuation of holomorphic functions of multiple complex variables, known as Bogolyubov's theorem of "acute wedges," which has written a new chapter in the theory of functions. A similar case occurred in the 1930s, when the development of aviation necessitated the use of new mathematical methods—methods of the theory of complex variable functions. In turn, the theory of functions was enriched by this new field—the theory of quasi-conformal mapping, which later found important applications in quantized string theory in the 1980s.

Spectral theory arose from the needs of the theory of vibrations and found very important applications in quantum mechanics. Operational calculus appeared as a way to solve problems in electronics and led to the creation of the theory of generalized functions, which has found numerous applications in contemporary mathematical physics. A very recent example is provided by super-analysis, which was created while formalizing methods developed in order to discuss the hypothetical symmetry of elementary particles; it now serves as the basis for the latest model of elementary particles—the super-string theory.

The most tempestuously developing area of modern mathematics is that of mathematical physics. As the name itself indicates, it occupies an intermediate position between physics and mathematics. Mathematical physics began to take shape in Newton's day, when differential and integral calculus were created and the foundations of classical mechanics appeared. The methods of mathematical physics began to take shape in the 18th century in the study of the vibrations of strings and bars, as well as of the simplest hydrodynamic phenomena. In the 19th century, its ideas obtained new development in connection with the problems of thermal

conductivity, diffusion, elasticity, optics, electrodynamics, nonlinear wave processes, etc. The theory of potential and the theory of stability of motion were created. In the 20th century, mathematical physics incorporated the mathematical models of quantum physics and the theory of relativity, as well as new problems in gas dynamics, particle transport and plasma physics.

The study of the mathematical models of quantum physics required the application of new areas of mathematics—the theories of generalized functions, the theory of functions of multiple complex variables, the theory of representative groups, as well as topological, geometric and algebraic methods. This made it possible to create and study qualitatively new models without reducing them to the models of classical mathematical physics. Thus, the present stage of mathematical physics, thanks to its own profound ties to almost all fields in mathematics, plays a somewhat central, cementing role in an entire set of disciplines.

Mathematical physics has always drawn the attention of great scientists. It is common knowledge that recently many representatives of “pure” mathematics have become involved with mathematical physics and have thus stimulated the development of mathematics. However, the reverse influence of mathematics on physics is often underestimated. The delusion exists that physics needs mathematics only as a means of calculation, that physicists need “simplified” mathematics, that one can now get by with a computer alone. In reality, the role of mathematics is considerably more profound. The fact is that the basic physical concepts themselves are simultaneously also mathematical. The role of mathematics as the language of physics will be discussed in more detail below.

The history of science provides us with many examples in which, using only mathematical discourses and calculations, so to speak, “on the tip of one’s pen,” new physical phenomena or the existence of new physical objects have been predicted, which were subsequently brilliantly confirmed through experiment. Such were the calculations by W.S. Adams and U. Le Verrier of the position of the planet Neptune, shortly afterwards discovered by the astronomer J.G. Galle; conclusions from Maxwell’s equations about the electromagnetic nature of life, supported by the experiments of G. Hertz; the prediction by P. Dirac of the antielectron (positron) based on the analysis of the solutions of differential equations for the movement of the electron (the positron was soon afterwards discovered by C.D. Anderson in cosmic rays); the prediction of quarks using the methods of the theory of groups; vector bosons (carriers of weak electrical interactions), “calculated” by S. Weinberg, Ch. Glashow and A. Salaam within the framework of calibration theories, were detected in 1983 on an accelerator.

The tremendous influence of mathematics on physics has been repeatedly noted by eminent scientists. D. Hilbert, at the International Congress of Mathematicians

in 1900, advanced his own famous mathematical problems, one of which, the sixth, was formulated as the problem of “the axiomizing of those physical sciences in which mathematics plays an important role.” Its formulation, ranked together with other key problems of “pure” mathematics, testifies to how serious a role Hilbert assigned to mathematics in the progress of physics and its theoretical development. The outstanding English theoretical physicist and mathematician P. Dirac expressed himself even more definitively: “The progress of physics requires increasingly ‘higher’ mathematics for theoretical formulation.” The subsequent development of theoretical physics, particularly quantum physics, convincingly proves this.

One of the fundamental achievements of 20th century mathematics is the theory of generalized functions. The generalized function is a mathematical concept which expands the classical concept of the function. The need for such generalization arose in many technical, physical and mathematical problems. The generalized function makes it possible to express idealized concepts such as the density of a material point (Dirac’s delta-function), the density of a simple layer (surface delta-function), the density of a dipole (derivative of a delta-function), etc., in a mathematically correct form. Furthermore, the fact that it is actually impossible to measure the value of a physical quantity at a point, that it is only possible to measure its average values in sufficiently small vicinities around this point, also finds expression within the concept of the generalized function. Thus, the concept of the generalized function takes this dual nature of measurements into consideration and therefore is an adequate mechanism for describing the distributions of various physical quantities. (The foundations of the mathematical theory of generalized functions were laid by S.L. Sobolev in the mid-1930s).

Today the theory of generalized functions has numerous applications in theoretical and mathematical physics, in the theory of differential equations, comprehensive analysis, operational calculus, etc., and has entered firmly into everyday use in mathematics, physics and engineering. So, we see that the development of the theory of generalized functions is an excellent example of the reciprocal influence between mathematics and physics.

Let us more thoroughly investigate the already-formulated thesis to the effect that mathematics plays an increasingly more active role as the language of natural sciences. In our time, the latter half of the 20th century, this is manifested to the greatest extent in elementary particle theory. However, in the foreseeable future, when the logical scheme of this theory is completed, after chemistry, biology’s turn begins, in its searches for a microscopic explanation of the mystery of life.

The fact is that visual methods in the naive sense are gradually losing their heuristic significance in contemporary natural science. The masses, distances and time intervals which must be dealt with when describing



elementary particles are so small that they cannot be detected through the five senses inherent in man. As a result, mathematics should act as a sort of sixth sense, enabling the comprehension, description and explanation of the microscopic bases for the structure of matter. At the contemporary level of scientific development, the mathematical formulation of quantum theory plays the role of such a sense, and there are grounds, from our viewpoint, for believing that this role will still remain for it in a definitive theory of the structure of matter as well. The lack of understanding of the fact that nothing more graphic than quantum theory exists for describing the microworld, has led and to this day leads to numerous revisions of the foundations of quantum mechanics and to attempts to reduce it to more classical concepts by introducing "latent parameters." These attempts have never succeeded, precisely because quantum theory has a strict and, most importantly, stable mathematical formulation.

A convincing example of the new role of mathematics is served by the history of the formation of the contemporary theory of nuclear forces—quantum chromodynamics. Its foundations are formed by hypotheses about the component quark structure of atomic particles and the so-called calibration fields as transmitters of interactions between quarks. Both of these fundamental theses can be adequately described only through a mathematical language.

For instance, the quark hypothesis was a consequence of the mathematical affirmation of Lie's theory of group representations: "The tensor product of three 3-dimensional representations of groups  $SU(3)$  contains an 8-dimensional one as a direct summand." In the language of differential geometry, calibration fields are described as "connections in vector stratification, with space-time as the base and with the 3-dimensional representation of group  $SU(3)$  as the layer." We can guarantee the reader, far removed from contemporary physics in terms of his own professional interests, that these phrases are not plays on pretty and mysterious words, but adequate descriptions of the situation. No simpler or more understandable formulation exists. Any attempt to appeal to artificial associations can provide only an incomplete picture.

Many other examples could be cited in other areas of quantum theory. Let us emphasize that the use of a suitable mathematical language is particularly important for original research work in this field. This is well understood by the new generation of theoretical physicists, who study elementary particles and freely utilize the entire arsenal of mathematical methods currently available.

Of course, theory is only the definitive result of research in physics. The role of the experiment both in the creation of a theory, as well as in its definitive confirmation, is indisputable. Furthermore, in order to communicate with experimental physicists, one must use

another language, that of traditional physics, since measurements are made using classical methods. This, however, does not lessen the significance of our thesis. The fact is that the experiment provides several supporting theses and tests certain specific predictions. The full picture of a phenomenon is contained in its mathematical description.

Returning to quantum chromodynamics, it should be noted that this theory is still incomplete. For the time being, it does not answer the question of why quarks do not exist in nature in an isolated form, or why regular methods for calculating the mass of atomic particles have not been developed. The reasons are concealed within mathematical difficulties. However, here mathematics still acts in its more traditional role as the technical mechanism for the natural sciences, the development of which currently lags far behind contemporary needs. Let us emphasize once more: contemporary mathematics has played its role as the language for the formulation of quantum chromodynamics excellently.

Here there is no complete analogy with the situation in chemistry. As already mentioned, the fundamental basis of chemistry is understood: it is a nonrelativistic quantum mechanics of atoms and molecules, based on coulomb interactions among electrons and the nuclei which make up chemical particles. However, the quantitative aspect of the theory is rather incomplete. Contemporary computing methods still do not enable microscopic computations in a system with a large number of electrons. In this case, the role of empirical approaches, mathematical models and computing methods is enormous. Nonetheless, the realization that the microscopic foundations of chemistry are quite profoundly understood is in itself very valuable.

In biology the situation is more complicated. There is no single "claimant" to the role of a microscopic foundation for biological theory and it is unclear how mathematics is useful in this field. One may be sure that this role will be taken by a theory for large organic molecules, i.e., the very same quantum theory. However, we know too little to speak of this with full certainty. One thing is clear: when the secret of life is discovered, it will be formulated in a mathematical language.

The implementation of mathematics as the language of natural science brings it to a higher level. It is becoming a new means for gaining knowledge and its significance can only increase with time.

An important property of mathematics is its universality. The very same equations can describe phenomena in the most diverse practical areas (for example, wave processes in radio physics, seismology and oceanology). At the same time, scientists working at specialized institutes in these fields often do not know each other's latest achievements, although from the viewpoint of mathematics they are studying the very same problem. Here the interdisciplinary role of mathematicians, who should



ensure the high theoretical level of applied research and the possibility of mutual understanding among specialists in one field of knowledge or another, has great significance.

The universality of mathematics is also reflected in its truly international nature. This is convincingly illustrated by the list of names already mentioned: Newton worked in England; Euler, in Russia and Prussia; Galois and Poincare, in France; Lobachevskiy and Chebyshev, in Russia; S. Lie, in Norway; Leibnitz, Gauss, Riemann and Hilbert, in Germany, etc. Today, scientists in different countries are quite familiar with each other's achievements. The mathematical school of our country, continuing the glorious traditions of Russian mathematical science, has flourished particularly energetically under the Soviet system and has earned world fame; it leads in many topical areas of contemporary mathematics. In particular, the results of the latest International Congress of Mathematicians, held in Berkeley (U.S.) in August 1986, attest to this.

Nevertheless, we have observed a lag in a number of areas of theoretical and applied mathematics. It is clear that no single mathematical school, no matter how strong, can carry out research in isolation. Therefore, international cooperation in mathematics and its application is necessary. Participation in international exchanges of young scientists, who would be able both to raise their professional level, as well as to acquire confidence in their own strengths, is particularly important.

We shall now consider factors that hinder the development of mathematics in our country. The basic forces of mathematicians are focused in a few centers—Moscow, Leningrad, Novosibirsk, Kiev and Minsk. Historical centers of mathematics such as, for example, Kazan and Lvov, have lost their former glory. The leaders of a number of regional centers and republic academies do not devote proper attention to developing mathematics, evidently considering it nonessential for their own basic tasks. It is impossible to agree with this. Theoretical research in mathematics does not require great expenditures. Meanwhile, the presence of a mathematical organization in a region raises the overall scientific level of research and the training of cadres and also has a disciplining influence on research activities.

We are troubled by the weakening influx of talented and active youth into science. Persistent explanatory work, which should be headed by leading universities, as well as measures to raise the prestige of the mathematics profession, are required.

The teaching of mathematics in schools, technical VUZs and a number of universities cannot help but be alarming. A young person who poorly masters a large amount of mathematics in secondary school is in no condition to become a good student at a modern natural science or technical VUZ. It is also obvious that an engineer, economist or sociologist who does not have a solid

mathematical education cannot be a fully equal participant in scientific and technical progress. However, departments of higher or applied mathematics are often filled up and are even headed by people who have no professional mathematical education. We believe that staffing should take place based on the post-graduate and doctoral students of leading universities and academic institutes. The leaders of VUZs should provide the employees of mathematics departments with conditions for raising their professional mastery and for independent scientific work.

The material equipment of even the largest mathematical centers does not correspond to contemporary needs. There are not enough premises, computer and office equipment, or funds for acquiring books and journals.

Like all Soviet mathematicians, we greeted the resolution of the CPSU Central and Soviet state, aimed at the further development of mathematics in the country, with great satisfaction. Our efforts should be devoted to stressed creative labor, to overcoming obstacles in the path of scientific and technical progress or, in short, to genuine restructuring.

Mathematics is an integral part of common human culture and this is the basis of its intransient significance.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

### **Socialism and Man In Cuba**

*180200181 Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 104-114*

[Article by Ernesto Che Guevara]

[Text] The editors of KOMMUNIST offer to the readers the last article written by Ernesto Che Guevara, whose 60th birthday was noted this year. This article, which was written in March 1965, and translated into Russian for the first time, reflects the stressed creative quest of the Cuban revolutionaries for means of implementing the ideas of Marxism-Leninism under the specific circumstances of their country, and proves the attachment of Che Guevara, the fiery revolutionary, to the ideals of humanism. Written in the first years of the establishment of socialism on the Isle of Freedom, when by no means everything had become clear to the Cuban revolutionaries themselves, not having undergone the test of practical experience, naturally it does not claim to provide definitive conclusions. Later, at the 1st Congress of the Cuban Communist Party, which took place in 1975, the Cuban comrades refined a number of problems related to building socialism, above all those which affected the use of economic instruments in the development of the national economy. Nonetheless, the most essential points made in this article have not lost their significance to this day. It is no accident that such great attention is being paid in Cuba to Ernesto Che Guevara's spiritual legacy, many of whose ideas are still being used and are helping the masses in

developing throughout the country a struggle for correcting errors in the building of socialism and shortcomings in social life. This struggle is a variant of the process of renovation of socialism which is developing in our days in other fraternal countries, based on their specific domestic conditions.

Under the conditions of perestroika in our country, characterized by an active and creative search for answers to the topical problems of the present stage in the development of socialism, which requires the intensified study of global experience, unquestionably the article by Ernesto Che Guevara will be of interest to Soviet readers.

Dear Comrade! I completed these notes during my trip to Africa, urged on by the desire, although delayed, to keep my promise. I shall try to stick to the topic of its heading. I believe that these notes could be of interest to the Uruguayan readers.

It has already become customary to hear the capitalist spokesmen claim, as an argument in their ideological struggle against socialism, that under socialism or during the period of its building, which is what we are currently engaged in, the individual is being harmed to the benefit of the interests of the state. I have no intention of refuting this claim on the basis of purely theoretical positions. I shall address myself to the facts of Cuban reality, adding comments of a general nature. Let me reproduce, to begin with, schematically the main features and events of our revolutionary struggle before and after the seizure of power.

As we know, the precise date of the revolutionary action which was completed on 1 January 1959, is 26 July 1953. At dawn on that day a group of comrades, headed by Fidel Castro, attacked the Moncada Barracks in Oriente Province. The attack failed. The defeat turned into catastrophe. Those who remained alive were sent to jail. They resumed their revolutionary struggle after the amnesty.

In the course of that process, which included no more than the embryos of socialism, man was the main factor. He was trusted, he was singled out not only by name but also by his ability to engage in actions which determined the success or failure of assignments.

Then came the stage of guerrilla warfare. It developed in two different media. This included the people, who were still in a state of slumber, the masses which had to be mobilized, and their vanguard, the guerrillas, who were the motive force of mobilization and the generators of revolutionary awareness and militant spirit. It was precisely this vanguard, I believe, that became the catalyst which contributed to the creation of subjective conditions for victory. Within the framework of the process of proletarianization of the mind in the course of the revolution, which encompassed our lives and minds, here again

the individual was the main factor. Outstanding accomplishments backed every fighter in the Sierra Maestra, who reached a high position within the revolutionary forces. It was on the basis of this that he earned his promotion.

During that heroic period the competition for a position entailing greater responsibility and involving greater danger was based on having a clear conscience of performed duty. In our work for revolutionary upbringing we frequently turned to this instructive factor. The features of the man of the future could be seen in the behavior of the soldiers.

There have been frequent cases in our history of absolute dedication to the cause of the revolution. During the period of the October crisis (1962—editor) and the raging of Hurricane Flora (1963—editor) we witnessed examples of unparalleled courage and self-sacrifice by the people. From the viewpoint of ideology, one of our main tasks was to encourage such heroic traditions.

A revolutionary government, involving the participation of certain representatives of the corrupt bourgeoisie, was set up in January 1959. The presence of the revolutionary army as the main power factor, guaranteed the exercise of power. Major conflicts appeared immediately, settled in the first case with putting Fidel Castro at the head of the government. This process was completed in July of that year, when President Urrutia resigned under the pressure of the masses. The people's masses were an unquestionable character, present throughout the action, in the course of the Cuban revolution.

This many-faceted being is not, as some people assume, a sum of identical elements, and its behavior cannot be compared to that of an obedient herd. Indeed, the masses follow their leaders, mainly Fidel Castro, without hesitation. However, the extent of trust which he earned from them is explained by the fact that he fully expresses the expectations of the people and their wishes and sincerely struggles for the implementation of the promises made.

The masses participated in the agrarian reform and supported the persistent efforts in the administration of state enterprises. They experienced the heroic epic of the Bay of Pigs and were tempered in the struggle against various gangs armed by the United States' CIA; they experienced one of the most severe trials of our time, the October crisis, and are currently engaged in building socialism.

Superficially, it may seem that those who speak of the subordination of the individual to the state, in the course of which the masses undertake inspiredly, with discipline and zeal, to carry out the assignments set by the government, be they of an economic, cultural, military, sports or any other nature, may be right. As a rule, the initiatives stem from Fidel or the higher revolutionary leadership as a whole. They are explained to the people

who adopt them as their own. In other cases, local experience is used by the party and the government, summed up and then implemented.

Occasionally, however, the state makes an error. Whenever such an error occurs, the collective enthusiasm of the masses drops in all quantitative parameters which account for it. The work slows down to its lowest point and the situation must be urgently corrected. Such was the case in March 1962, caused by the sectarian policy imposed upon the party by Hannibal Escalante.

Clearly, mechanical instruments are insufficient to guarantee the continuity of sensible decisions in the absence of a more reliable structural tie with the masses. We must strengthen such ties in the immediate future. Under circumstances in which initiatives are generated in high government circles, we are still using almost intuitive methods for determining the overall reaction of the population to the problems raised.

Fidel is a real master in such matters. His exceptional ability to sense the mood of the people and to blend with the people can be seen with one's own eyes. In periods of major mass projects one can see something like a dialogue between two tuning forks, when the sound of the first triggers a response in the second. Fidel and the mass begin to blend within a single sound. The culmination develops turns into a sharp end, announced with our cheers in honor of the struggle and the victory.

Those who have not experienced a revolution find hard to understand this closed dialectical unity which exists between the personality and the mass, when they intertwine and when, in turn, as a community of individuals, the mass becomes one with the leadership.

Under capitalism as well politicians appear who can fire up the people. However, unless it is a question of a real social movement which cannot be entirely properly identified with capitalism, it lasts for the duration of the life of the one who inspires it or until the mass illusions are dispersed, which is predetermined by the very nature of capitalist society. Under capitalism man is governed by a system which usually exceeds the limits of his understanding. The alienated human individual is linked to society with an invisible umbilical cord: the law of value. This law operates in all areas of life and determines human fate and behavior.

The laws of capitalism are invisible to the majority and are blind. They influence the individual in such a way that he cannot even suspect them. The individual can only see the horizon which seems to him infinite. That is the way capitalist propaganda presents life, trying to create from the history of the Rockefellers—whether accurate or not—an example of the kind of opportunities for individual success are made possible by that system. The poverty which accompanies the origin of such a story and the baseness which is inevitable in accumulating such a tremendous wealth are not mentioned.

people cannot always realize this (it would be suitable at this point to consider the way in the imperialist countries in which workers lose their class internationalist feeling by virtue of becoming co-participants in the exploitation of dependent countries and the way this circumstance undermines the militant spirit of the working people in those same countries. However, this topic exceeds the range of these notes).

In any case, what appears is the twisty path which the individual, with his respective qualities, is unquestionably capable of covering in order to reach his objective. This is a lonely path, however, which, like the winners of a race of a pack of wolves can win the prize only if the other participants in the race die. I shall now try to define the individual, the acting persona of this amazing and captivating drama of building socialism, in which this individual must be both unique of its species and, at the same time, a member of society.

I believe that the simplest thing is to admit that such an individual is still a semi-finished product. The individual awareness takes the shortcomings of the past into the present and we must work to correct them.

This is a two-sided process. On the one hand, there is society which exercises direct and indirect influence. On the other, the individual consciously participates in the self-education process.

In the course of its establishment, the new society must fiercely compete with the old. This affects not only the individual consciousness, burdened by the faults of an education oriented toward isolating the individual, but also the nature of the transitional period, which is imbued with commodity relations. Commodity is the economic cell of capitalist society. As long as it exists, its existence is reflected in the organization of the production process and, in the final account, in the awareness of the people.

Marx's system considers the transitional period the result of an explosive transformation of capitalist society, torn by its own contradictions; we shall see subsequently the way individual countries, as the weakest branches, are torn off the imperialist tree, something which Lenin predicted. In those countries capitalism developed sufficiently for its influence to be felt by the people, to one extent or another. However, the breakdown of the system was the result not of the fact that internal contradictions had exhausted the possibilities of the system. The liberation struggle against foreign expansion and poverty, which may be caused by unpredictable reasons such as, for example, a war, the burdens of which are shifted by the privileged classes to the shoulders of the exploited, and liberation movements, the purpose of which is to overthrow a neocolonialist regime, are the usual factors which trigger a chain reaction. Conscious actions do the rest.

In such countries the masses are still not fully prepared to engage in socially useful labor. Yet it is difficult to change life simply by appropriating the wealth. Backwardness, on the one hand, and the drain of capital to so-called "civilized" countries, on the other, make fast and painless changes impossible. A long road has to be hauled in laying the economic foundation and the great temptation exists of following the trodden paths of material interest, turning it into an instrument for accelerated development.

A dangerous situation may arise in which the forest cannot be seen for the trees. An impasse may be the result of the pursuit of the chimera of building socialism with the help of an unsuitable tool left to us by capitalism (the commodity as the economic cell of society, profitability, individual material interest as an instrument of development, and so on). This impasse is reached after a long road with repeatedly crisscrossing paths and it is difficult to sense the point at which one has deviated from the right way. Meanwhile, the inherited economic base has already carried out its subversive action in the mind. In order to build communism, we must shape the new man, along with the creation of a material foundation.

That is what makes so important the proper choice of means of mobilizing the masses. Such means must be essentially moral. Meanwhile, we have no right to forget material incentives, particularly those provided by social funds.

As I already said, in extreme situations it is easy to overrate the role of moral incentives; in order to preserve their efficiency, we need the type of development of the awareness in which new categories become valuable. The entire society must become one huge school.

The basic features of this phenomenon are similar to the process of the molding of a bourgeois awareness in its early stage. Capitalism resorts to force but, additionally, it educates the people within the framework of its system. Direct propaganda carried out by its legitimate representatives proves the inevitability of this class system and claims that it has been ordained by God or by the development of nature. All of this is instilled in the masses which are aware of being the victims of an evil which cannot be fought. However, the hope for a better lot is not killed in the people. It is at this point as well that the new system is different from the previous caste regimes which offered no alternatives whatsoever.

The caste formula retains its force for some people: obedience leads to a posthumous move to other wonderful worlds where those who are exemplary will be rewarded. This is the continuation of the old tradition. To others, an innovation is introduced: the class division is inevitable. However, an individual could come out of

his own class through work, initiative, and so on. This process and self-education for the sake of success is profoundly hypocritical, clearly demonstrating how a lie can turn into a truth.

In our case, direct education becomes even more important. An explanation is convincing when it is true and subterfuges are unnecessary. Such work is done by the educational apparatus of the state in the course of the development of general culture and ideology and the enhancement of the standard of technical knowledge by agencies such as the ministry of education and the party's agitation apparatus. The education process spreads among the masses and the new instilled behavior acquires the tendency of becoming a habit; the mass accepts it and pressures those who have still not changed. Such is the indirect method for the education of the masses, a method which has a powerful influence along with others.

This, however, is a conscious process. The individual is steadily subjected to the influence of the new social system and realizes that he is still not entirely consistent with it. Thanks to this influence, which implies indirect upbringing, the individual tries to adapt to the situation he considers just and thus engages in self-education.

The new man comes to life at the present stage in building socialism. His character has still not been fully shaped; in all likelihood, this can never be attained, for the shaping of the individual parallels the development of the new economic system. We do not take into consideration those who, by virtue of insufficient education, take the path of individualism and the satisfaction of their personal ambitions. Such people exist in the new movement as well. They separate themselves from the masses along which they have marched. What matters is the fact that with every single passing day the need for the merger of the individual with society is increasingly realized and an understanding that man is the motive force grows.

Today people no longer shuffle along, totally alienated, following confused paths toward distant objectives. They are led by a party, by progressive workers and citizens who are closely linked and blend with the masses. The vanguard strives toward the future which belongs to everyone. This will be a new society of people with different qualities, the society of the communist man.

The road to this society is long and full of difficulties. Occasionally, having lost one's way, it is necessary to retreat; also occasionally, in our haste, we separate ourselves from the masses; it so happens that having lost the pace we feel the breath of those who follow us. Considering ourselves revolutionaries, we try to advance as quickly as possible, opening the roads which must be followed by the masses. The masses can advance faster if we inspire them with our example.

Despite the significance ascribed to moral incentives, the very fact of the division of society into two main groups (naturally, excluding a minority which, for a variety of reasons does not participate in the building of socialism), is an indication of the relative underdevelopment of social awareness. The vanguard is ideologically better prepared than the masses, whose concept of the new values is still insufficiently complete. Whereas within the vanguard quality changes take place, which enable it to march forth with dedication, the outlook of the masses is limited and they require incentives. The masses should be subject to a certain pressure; this applies to the dictatorship of the proletariat, which is used not only against the defeated class but also on an individual basis toward representatives of the victorious class.

In order to achieve full success in this matter special mechanisms and revolutionary institutions are needed. In the awareness of the masses, directed toward the future, the concept of institutionalization is a harmonious set of well-functioning channels, links and agencies which help our progress and contribute to the natural selection of those who must march in the vanguard and mete awards and punishments to those who helped build the new society or which oppose it.

The institutionalization of the revolution has not been achieved as yet. We are seeking something which would enable us to identify the government with the society, taking into consideration the features of the building of socialism, and maximally avoiding general manifestations of bourgeois democracy transferred to the society which is taking shape (such as legislative assemblies and similar matters). Without excessive haste steps have already been taken gradually to institutionalize the revolution. Our main hindrance is the fear that circumstances of a formal nature could separate us from the masses and individuals and that we would lose track of the latter. Yet the most important revolutionary purpose is to put an end to the alienation of man.

Despite the scarcity of institutions, something which will be gradually eliminated, today the masses are already making history as a conscious collective of individuals struggling for a common cause. Under socialism, despite a seeming standardization, the wholeness of man is greater; despite the absence of a perfect mechanism, man's possibilities of self-expression and finding a suitable place in society have increased immeasurably.

We must rely on his conscious and collective participation in all management and production authorities and relate this to the idea of the need for giving him a technical and ideological upbringing, so that he may feel how closely interdependent such processes, which follow a parallel course of development, are. It is precisely thus that the individual will be able to become more fully aware of his social nature, which is the equivalent of his status as a human being who has broken the chains of alienation. This will be manifested specifically also in the

restoration of his natural essence in the course of liberated labor and in the expression of his personality through culture and the arts.

In order for this to be achieved, labor must acquire a new meaning; man as a commodity no longer exists and a procedure is established in which he is given his share for the implementation of his social duty. The means of production belong to society and the industrial machinery is nothing but a trench where duty is performed. Man begins to free his brain from the annoying thought that he must meet his natural needs through labor. He begins to see himself through his accomplishments and to realize his greatness through the good he has produced or work he has done. This eliminates the need to sell himself as manpower. This also means emancipation, involvement with the life of the collective and performance of social duty.

We are doing everything possible to ascribe this new function to labor and link it with technical development. This will create conditions, on the one hand, for greater freedom and, on the other, for voluntary labor on the basis of the Marxist concept that man truly becomes a man only when he produces goods not because of the physical coercion to sell his manpower as a commodity.

It is clear that, even though voluntary, labor is not free from the elements of coercion; man has still not converted any coercion into a nominal reflection of the nature of the society and, in many cases, is still working while experiencing the pressure of the environment (Fidel describes this as moral coercion). He is as yet to gain total inspiration from his own labor and be freed from the direct pressure of the social environment. His connection with this environment begins to be structured on the basis of the new principles which will triumph under communism.

Changes in both the awareness and the economy do not take place automatically. They take place slowly and un rhythmically. Periods of acceleration are replaced by stagnation and even decline.

Furthermore, we must bear in mind that we are facing not a pure transitional period, as conceived by Marx in his "*Critique of the Gotha Program*," but a new phase he did not contemplate, a first period of transition to communism, or the building of socialism. This period is characterized by a sharp class struggle in the presence of capitalist elements which do everything possible to conceal their nature.

Adding to this scholasticism, which hinders the development of Marxist philosophy and the systematic study of that period, and political economy, which, as it were, has remained undeveloped, we must agree that we are still in "diapers," and that we must undertake the study of the fundamental features of the transitional period before undertaking the elaboration of a long-term economic and political theory.

It is entirely clear that such a theory will give preference to the following two constructive factors: the shaping of the new man and the advancement of technology. A great deal remains to be done in these areas, which makes even less forgivable any delay when it becomes a question of the technical aspect of the matter, for in this case it is already possible to advance not blindly but by following the way laid by the advanced countries in the world. That is why Fidel speaks so persistently of the need for technological and scientific education of the people and, even more so, of its vanguard.

In the area of ideas which guide nonproductive activities, it is easier to note the division between material and spiritual requirements. For a long man has tried to eliminate alienation through culture and the arts. Every day he "dies" for 8 hours or longer, when he acts as a commodity, but is resurrected in the course of spiritual creativity. However, this latter means carries an agent of a similar disease: man is an isolated being, seeking to blend with nature. He defends his individuality, suppressed by the social environment, and reacts to aesthetic ideas as the only being of its kind who wishes to remain pure.

This is merely a question of an effort to flee. The law of value is no longer the simple reflection of production relations; having dressed him in the proper clothing, the capitalist monopolists have converted art into an obedient servant, although the methods they have used should be described as purely empirical. The superstructure imposes the type of art in the spirit of which the artist must be raised. The unruly are kept under the control of society and it is only exceptional talents that can create their own works. The others turn into shameful day-laborers in the arts or else are "pulverized."

An artistic theory is invented, which is presented as the criterion of freedom. However, this "theory" has its limits which cannot be sensed until we are faced with them, such as, for example, in formulating the real problems of man and his alienation. Senseless yearning and primitive time-marking are convenient safety valves for human restlessness; the idea of turning making art into an instrument for exposure is rejected.

If you accept the rules of the game you obtain honors similar to those awarded to a monkey which has made a pirouette. The main condition is not to try to escape from the invisible cage.

The end of those who have been entirely trained occurs when the revolution comes to power; the others—the revolutionaries and not only they alone—have seen the new way. The study of creativity is given a new impetus. However, the itineraries have been more or less known and the meaning of the concept of flight within oneself has concealed itself behind the word "freedom." Such a point of view, reflecting bourgeois idealism in their minds, has frequently appeared in many revolutionaries.

In countries which have experienced a similar process an effort was made to struggle against such trends with the help of excessive dogmatism. A "taboo" was imposed on general culture and a set of cultural values was formulated, allegedly officially reflecting the laws of nature. Subsequently, this complex became a mechanical reflection of social reality, as conceived: an ideal society, virtually free from conflicts and contradictions, i.e., the type of society for the establishment of which efforts were made.

Socialism is young and it makes errors. Frequently the revolutionaries are short of knowledge and the ability to undertake the development of the new man through methods different from the universally acceptable ones. Such methods entirely depend on the society which creates them (this is yet another example of the interrelationship between form and content). Priority is given to problems of the production of material goods, which leads to the disorientation of the broad population strata. We have no major men of culture who enjoy great revolutionary authority, for which reason the party workers must take over the solution of this problem and achieve the main objective: the upbringing of the people.

For the time being there is a search for simplification, down a level of that which is understood by everyone, which is understood by the officials. True artistic theory is abolished and the problem of general culture is reduced to equating the socialist present with the dead (and, consequently, safe) past. It is thus that socialist realism is born on the foundations of 19th century art.

However, the realistic art of the 19th century is also class oriented, and is even more capitalist than the decadent art of the 20th century, which reflects the position of the alienated man. In the area of culture capitalism has totally exhausted itself. In the field of art, all that is left of it is the evil smelling corpse of today's decadence. But why should we seek into the frozen forms of socialist realism the only valid prescription? We must not pit against socialist realism a "freedom" which still does not exist and will not exist until the new society has become fully developed; we cannot peremptorily condemn, from the Papal throne of realism, all forms of art which have appeared after the first half of the 19th century. This may lead us into the Prudhonist error of returning to the past and putting in a straight jacket the artistic expression of the person who is born and is shaped today.

There is a lack of developed ideological and cultural mechanism which would enable us to pursue our studies and to pull out the weeds which have so richly grown on the soil fertilized by the subsidies of the state.

No errors influenced by a mechanical realism have been noted in our country. Instead, we have had features of an opposite nature. This was the result of the lack of understanding of the need to raise the new man who would not bear within himself the ideas of the 19th and the 20th centuries, which are decadent and diseased. The

man of the 21st century is the one we must shape, although this remains a subjective and unsystematized aspiration. It is precisely this that is one of the main points of our study and work. If we are able to achieve specific successes in theory or draw broad theoretical summations on the basis of our specific studies, we would thus make a valuable contribution to Marxism-Leninism and to the development of all mankind. Opposition to the spiritual values of 19th-century man brought us to a recurrence of 20th century decadence; this is not a very severe sin but we must correct it, for otherwise this would open opportunities for revisionism.

The masses will develop and new ideas will become suitably disseminated; the material opportunities for the comprehensive development of absolutely all members of society will make our labor even more fruitful. The present means struggle and the future is working for us.

To sum it up, let me point out that the fault of many of our intellectuals and men of culture is found in the original sin: they are not true revolutionaries. We may try to make a graft on an elm tree so that it could produce pears but we must also, at the same time, plant pear-tree orchards. The new generations will be free from the original sin. The likelihood of the appearance of outstanding artists will increase the more we broaden the framework of culture and possibilities of self-expression. Our task is to prevent the present generation, torn by contradictions, to become corrupt and to corrupt the future. We must not create either day-laborers in art, who obey the official views, or subsidized artists, who live under the wing of the budget and who favor freedom in quotation marks. Revolutionaries will come who will sing the song of the new man with a truly national voice. This process, however, will demand time.

The young people and the party play a major role in our society. The young are particularly important, for they are the soft clay from which we can sculpt the new man deprived of the "birthmarks" of the past. They also carry our expectations. Their education is becoming increasingly more advanced. Nor do we forget involving the young in the labor process. Our scholarship students are engaged in physical labor during their holidays or along with their schooling. In many cases labor is an incentive, a means of education but by no means a punishment. A new generation is being born.

The party is a vanguard organization. The comrades recommend the best representatives of the working people for membership. It is small but enjoys great authority thanks to its composition. We are striving to make it a mass party. However, this will become possible only when the masses have reached the level of development of the vanguard or, in other words, when they will be raised in a communist fashion. Our work is aimed at providing such an upbringing. The party is the live model; its cadres must set an example of industriousness and self-sacrifice. They must disseminate among the

masses revolutionary tasks, which will require years of hard struggle against difficulties, the class enemies and the ulcers of the past, and opposition to imperialism....

Let us now clarify the role which the individual, which man as an individual plays as the leader of the masses who are making history. Our experience is not some kind of prescription. In the first years, Fidel provided an impetus to the revolution by providing leadership and always setting the tone. However, there is a group of revolutionaries who are developing in the same direction as the leader. The popular masses follow their leaders because they trust them, because they are able to express their expectations.

It is not a question of how many kilograms of meat one could eat, how many times a year one could go to a resort and how many imported items one could buy with one's current salary. It is a question of the extent to which the person feels satisfied, the extent to which he is spiritually rich and the extent to which his feeling of responsibility has developed. The true individual knows that the great age in which he is destined to live demands self-sacrifice. The first people to understand this were the fighters in the Sierra Maestra and then wherever a struggle was being waged. Subsequently the entire country became aware of this. Cuba is the vanguard of America and must suffer casualties, for it is on the front line, showing to the peoples of Latin America the way to total liberation.

Within the country, its leadership must play a vanguard role. We must point out with all sincerity that the true fighters entirely dedicate themselves to the cause of the revolution. They do not expect any material compensation for this. The life of the true revolutionary is both splendid and difficult.

At the risk of appearing ridiculous, let me say that the true revolutionaries are motivating by great love. One cannot imagine a true revolutionary without that feeling. This, probably, is the great inner drama of every leader. He must combine spiritual passion with a cool mind. He must make painful decisions without flinching. Our revolutionaries must rise to the level of an idea their love for the people and for their sacred cause, making it inviolable and integral. They must not lower themselves even to providing the small amount of daily endearments even in areas where the ordinary person does this. The leaders of the revolution have children whose first prattle does not include their father's name. Their wives are a part of the sacrifices they must make. Their range of friends is strictly limited to fellow-revolutionaries. Outside of the revolution they have no life.

Under those circumstances one must possess a great deal of humanity, a feeling of justice and truthfulness in order not to fall into dogmatic extremism, into cold scholasticism and alienation from the masses. We must struggle with every passing day for this love for mankind to be converted into specific actions which would serve as an example to others, which would mobilize the people.



The revolutionary is the ideological mover of the revolution within his party's ranks. He is consumed in a continuous struggle which can be stopped only by death unless the new life wins universally. Should his revolutionary zeal burn out, for one reason or another, suddenly, and when he begins to see the most urgent problems as having to be solved on the local scale and forgets proletarian internationalism, the revolution which he leads stops being his motivating factor. He falls into a sweet slumber, which benefits our irreconcilable enemy, imperialism, by recapturing positions. Proletarian internationalism is both a duty and a revolutionary necessity. It is thus that we are raising our people.

Understandably, there also are dangers which make us feel cautious. They include not only dogmatism and the violation of a reciprocal understanding with the masses, on the way to our objective. The threat exists of yielding to the usual weaknesses. If a person believes that he has dedicated his entire life to the revolution while unable to ignore the fact that his son is short of some type of food or needs new shoes, or that his family is short of some goods, it is under those circumstances that the seeds of future corruption develop in his mind.

In this case, we believe that our children should "have or have not what have and have not the children of simple people." Our families must realize this and act correspondingly. The revolution is made by people and everyone must strengthen his revolutionary spirit day after day.

We are on the march. Fidel is at the head of a huge column and we neither shy from nor fear saying this. He is followed by the best party cadres and, close to them, so close that we feel their tremendous power, are the people, the invincible alloy of individualities marching toward a common objective. These are people who have realized what must be done, who fight for pulling themselves out of the kingdom of necessity and marching into the kingdom of freedom.

This huge mass of people are organizing themselves. This organization is based on awareness of its necessity. This is no longer a splintered force splintered into bits, like thousands of fragments of an exploding grenade. It is an organization which does not allow squabbling for a position which would make it possible to hope for some benefits in the face of an unclear future.

We know that we shall have to make new sacrifices and that we must pay a high price for the heroic resolve of creating a nation-vanguard. We, the leaders, realize that we must pay a high price for the right to say that we are at the head of the people who have become the leader of America. Everyone of us is tirelessly giving his share of self-sacrifice, consciously hoping to be rewarded with the feeling of performed duty, advancing toward the new man, who is becoming outlined against the horizon.

Allow me to try to draw several conclusions. We, socialists, are freer than others, for we are more purposeful; we are more purposeful because we are freer.

The skeleton of our total freedom is ready. All that remains to be added is the protein and the cover. We shall create them.

Our freedom and its foundations are colored in blood and cemented through sacrifices.

We are accepting sacrifices consciously. This is the price which we pay for the freedom we are defending.

Our road is long and unknown. However, we know the end objective. We shall shape the man of the 21st century.

The individual plays a mobilizing and guiding role to the extent to which he embodies the highest virtues and expectations of the people and does not deviate from the path.

The path is laid by the vanguard and by the best among the best, the party.

Youth is our building material. We set our hopes on it and are training it to take over our banner.

If this emotional and vague letter can explain anything to a certain extent, I shall consider the purpose of writing it reached.

Accept our traditional greetings as a handshake or as "Homeland or Death."

"Marcha," Montevideo, 12 March 1965.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

**'The West as Well Must Think in a New Fashion'**  
*18020018m Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 115-118*

[Text] With this abstract of the editorial published in the annual "Strategic Survey For 1987-1988" of the London International Institute For Strategic Studies, we would like to acquaint our readers with views popular in the West concerning the current situation and prospects of development of international relations. In particular, we consider important the statement that "in future talks on strategic armaments, conventional forces and chemical weapons, the West must be ready to develop what it has already achieved rather than ignore or erode it." The abstract was prepared by V.N. Chernyshev, TASS military observer.

"Events in the Soviet Union have largely provided an impetus thanks to which all of us have reached a new level. Efforts to implement a far-reaching perestroika of

the Soviet system, described by General Secretary Mikhail Gorbachev, cannot fail to create new conditions in the area of international relations." These key phrases determine the entire trend and content of the study of the contemporary situation, conducted by the London International Institute for Strategic Studies, in its latest issue "*Strategic Survey for 1987-1988*."

"The circumstance," the survey emphasizes, "that Gorbachev made the Russian words 'glasnost' and 'perestroika' as familiar to us as 'ham and eggs,' indicates the power of his influence on international politics and on domestic life in the Soviet Union. ...Clearly, the Soviet Union is going beyond that, looking over its priority tasks and, abandoning a number of dogmatic positions and concluding agreements which would have been inconceivable only a few years back...."

This analysis, carried out by the London Institute and completed prior to the Soviet-American Moscow Summit, indicates the great role which the previous meeting between the leaders of the two countries in Washington played in normalizing the international situation. In the course of it a "radical revision of established views (in this case it is a question of mistrust) took place;" the meeting was a "reflection of the striking change in approaches, characteristic of present relations between East and West."

It was precisely this rapprochement of views held by the two powers to the effect that "each one of them will benefit from changes in their relations in the field of security and from their adaptation to economic difficulties and perestroika, taking economic difficulties into consideration," write the authors of the survey, "was what triggered the feeling that 1987 could become a kind of watershed." The reasons which led to changes in said approaches, according to the authors of the survey, are the following: it had become obvious that the international economic and military order which had existed since World War II no longer reflected the new realities; a bipolar world had become multipolar; "that which was once considered a single communist threat broke down in a number of components;" the overwhelming economic power of the United States, compared with other economic formations in east Asia and Western Europe, weakened; doctrines in the area of security, formulated during the period of Western nuclear superiority, are being questioned under the conditions of nuclear parity.

In discussing the main factors which influenced the changes in the concepts held by official Washington in the area of foreign policy, Western specialists indicate the huge budget deficit and unprecedented scale in the growth of the U.S. national debt, as well as the deficit in the country's balance of trade. "The United States excessively overestimated its possibilities." "Today one can no longer rely on the fact that increased American power

would secure it the restoration of its previous dominant positions;" "a painful restructuring is necessary." Such are the conclusions which they draw as a result of their considered assessments.

"The Reagan administration came to power proclaiming the need to improve the American economy and eliminate the budget deficit while stopping what it considered a catastrophic weakening of American military power relative to the Soviet Union," the survey reads. "Its theory of economic development, oriented toward offer, a drastic reduction in taxes and huge military budgets were considered a means of restoring the equilibrium. However, despite the successes achieved in the first half of the term of the present administration, the basic economic and budgetary problems not only remained but, in many respects, became aggravated. Currently these difficulties are beginning to restrict America's ability to meet all of its obligations within the country and abroad."

Moscow's new policy, the Western researchers emphasize, made it possible to control armaments and to lower tension. "The tangible combination of economically limiting factors and the reduced Soviet threat, in the view of many people in the United States," they note, "forced even President Reagan to moderate his aspiration toward a further increase in military expenditures, which was characteristic of his first term in office. In the budget which was submitted to the Congress in February 1988 the sum initially requested by the military was reduced by nearly 10 percent, as a result of which less than \$300 billion was requested for 1989."

The survey pays particular attention to perestroika in the Soviet Union. The section "The Gorbachev Revolution" reads as follows: "A close tie exists between perestroika and glasnost, for the reason that the present leadership of the Soviet Union, apparently, realized in the final account that the Soviet Union is threatened with a major crisis which cannot be removed with half measures, as had been tried in the past. Efforts to deal with individual problems which make the whole, to combine ministries within centralized and large super-ministries, and then again to break them up, and all of this without making radical changes, yielded no results in the past and nor will they in the future."

Having considered in detail the Soviet plan for radical economic reform, the Western analysts emphasize that it calls for the implementation of a number of radical structural changes and will require the energetic efforts of millions of middle-level managers and skilled workers in the most important professions, as well as surmounting the opposition of the bureaucratic apparatus, and flexibility. It is pointed out with absolute accuracy that in perestroika "there is no aspiration to weaken the leading role of the Communist Party." "One should not think," the authors write, "that the Soviet leadership intends to import a Western-model democracy."

Meanwhile, a number of concepts formulated in the survey indicate that, nonetheless, the Western specialists have not totally understood the reasons and objectives of perestroika in our country. They continue to be influenced by some ideological stereotypes. They write that perestroika "is necessary in order to stop and then to surmount the paralysis existing in the socioeconomic area, which has afflicted the Soviet Union," and that "as a minimum, the new Soviet approach to international relations is a reflection of the decision of the need for a **period of relative quiet** so that the USSR could channel its economic resources and most of its human resources into the domestic revolution." This reflects the lack of understanding that the objective of perestroika is to ensure the irreversibility of radical changes and that in this case the consideration is based by no means on some kind of limited "period of relative quiet."

The survey also expresses doubts that the changes occurring in the USSR "are substantial and durable." The authors write that since fundamental changes in the economic reform have only begun, it is too early to say whether they will be successful and even whether it will be possible to implement them.

Nonetheless, the Western analysts conclude that "Gorbachev set himself a serious task. However, should he succeed, this would substantially change the economy and social life of the Soviet Union."

"A thorough evaluation and answer," the authors of the survey emphasize, calls for a "new thinking" by the USSR in the area of foreign policy. It "opens the opportunity for the establishment of a more rational and stable international situation than has existed for a number of years." They claim that a number of proofs may be found that "the new thinking is backed not by a simple change in rhetoric." "Concerning the nuclear weapons, Moscow told President Reagan that it is important for neither of the superpowers to have the ability to threaten the destruction of the potential to strike a retaliatory blow by the other side; this would eliminate any interest in dealing an offensive strike, for it would guarantee that the aggressor would be exposed to the immediate and devastating retaliatory strike. Gorbachev confirmed at the December (1987) Soviet-American Summit, that in a nuclear war neither side could win. It was pointed out in an article published in the January 1988 issue of *KOMMUNIST* that the Soviet Union is not threatened by a preplanned timely strike on the part of Europe and the United States and that they are not threatening Soviet security."

This viewpoint expressed by the Western researchers, who believe that "international relations are not mandatorily a game in which one wins and the other side loses and that under certain circumstances all participants can win and that the Soviet challenge includes such a possibility" can be welcomed.

Something else is important as well, in our view: the idea that the need appears for a new thinking on the part of the United States and its allies. It is true that this idea is presented with the stipulation "providing that recent Soviet rhetoric is entirely confirmed by substantial steps aimed at detente and strengthening stability and security" and even by "abandoning the course of lifting the blockade on European and American efforts in the field of defense" (a "course" clearly conceived by the West itself). However, the authors of the survey themselves explain the reason for their stipulation: "if the impression is being created today that the West questions and even is not confident in 'Gorbachev's new thinking,' this can be partially explained by the vagueness of the direction which he himself should follow. This vagueness can be largely explained by the fact that although the noncommunist countries deem necessary to adapt themselves to the changes taking place in the Soviet Union, at the same time they can no longer ignore the changes which are taking place in their own societies."

"The West as well must think in a new fashion." This demand of our time is the title of a separate section in the survey. "...The growing understanding of the need for a new policy," the authors note, "taking into consideration changing realities in the global economy and the military situation, has poured oil into the fire of discussions on such problems in the United States." A reassessment of policy is taking place in Western Europe as well: "Changing relations among the superpowers have motivated the governments of the European countries to take a new look at problems of self-defense and at the new steps aimed at strengthening their own security by developing military cooperation and interaction and, if necessary, integration."

What is it that is worrying the Western European countries? The answers to this question, provided in the survey, indicate that essentially this is a set of problems based precisely not on the new but the old way of thinking and on durable stereotypes.

To begin with, the process of nuclear disarmament, the first step toward which was the signing of the Soviet-American INF Treaty, instills in them the fear that "the third zero option" (meaning the destruction of tactical nuclear missiles) "will inevitably turn Europe into a nuclear-free continent, which is something the Soviet Union has wished for a long time. Without nuclear weapons Europe would not only become much more vulnerable to the overwhelming superiority of the Soviet Union, but also truly become a "target of conventional war."

Second, the supporters of the long obsolete strategy of "flexible reaction" complain that "it will no longer embody the concept of conscious escalation, at which point it will be necessary to rely on nuclear weapons provided by the main American strategic systems."

Third, "the old fears have emerged and intensified that the United States will be unwilling to risk the destruction of its own territory for the sake of ensuring European safety.... The likelihood that without nuclear weapons in Europe the United States would decide to withdraw a significant portion of its troops was another reason for the efforts to develop a counterbalance to the idea of the total abandonment of nuclear weapons."

Fourth, fears exist that the United States will have to be reoriented away from Europe, which has been a fundamental U.S. principle since the 1940s, and toward Asia. In the view of the supporters of this concept, known as the "vociferous minority," the economic successes of Japan and South Korea and the development of events in the PRC will inevitably result in the increased strategic power and influence of these countries, although not necessarily of their armed forces as such. At that point, taking into consideration the fewer resources available to the United States, a new choice would become necessary. Even some personalities, who do not share this viewpoint, the survey notes, believe that in roughly the next 5 years budget restrictions may force the United States to reduce the financial scale of its military obligations to Europe, including, possibly, the withdrawal of some of its forces deployed there.

Fifth, some Western European circles "fear" the dynamism of the expansion of Soviet-American cooperation.

Sixth, the future of the NATO bloc triggers substantial concern in some Western European capitals: "the influence of the Soviet-American Summit in Reykjavik, the more complex and efficient Soviet foreign policy, the INF Treaty and events in the area of international economics have clearly proved to most European leaders that simple reliance on the status quo in NATO is no longer a realistic option. The transformation of NATO from an alliance in which the United States holds the position of unquestionable leadership, "of a giant with seven dwarfs," into an alliance in which the burden of responsibility is truly shared between European and American social foundations, will be a difficult and complex task."

How do the specialists at the London Institute conceive of Western policy during the "transitional period?" What, in their view, is required of the NATO countries?

"In the past 2 years," they write, "M.S. Gorbachev has submitted a significantly larger number of initiatives in the area of armament control compared with the preceding 5 years, submitted by the Soviet Union or the West.... With the INF Treaty the Soviet Union accepted a number of steps which, in the view of the majority of observers, only 3 years ago it would have never taken: a significant asymmetric reduction of forces, useful exchange of data and active verification." Furthermore, the survey emphasizes, in some cases the Soviet Union favored stricter and more persistent measures than those the United States was willing to approve.

There are no reasons to believe, the Western researchers caution, that the USSR will not continue in the future to formulate and submit many new initiatives some of which, possibly, will contain mutually beneficial elements. "However, the West would make a grave error by constantly finding itself in the position of the side reacting to the new suggestions, without deciding for itself what should be its own strategy in an age when there are many new ideas which spread rapidly.... The acknowledgment that a favorable trend exists does not in itself guarantee success; the Western countries, which are now facing a problem and which have an opportunity, must be less concerned by this problem than fear the loss of this opportunity."

The survey emphasizes that so far most of the problems related to the need for change in Western policy have either appeared as a result of Soviet initiatives or else been the result of political and socioeconomic realities which can no longer be ignored. The West must become interested in encouraging positive changes occurring in many parts of the world and must think of a better means of correcting its policies in order to assist in their full implementation. However, the most important steps, as the analysts at the London International Institute of Strategic Studies point out, must be taken by the West in the area of relations between East and West, so that the "reaction may develop into positive action."

"The Western government," the London scientists believe, "must assume the initiative in order to build more stable relations between East and West and, consequently, establish a more stable international order."

The recommendations given by the authors of the review, in terms of a revision of NATO policy, may be reduced to the following:

Undertake a comprehensive study of the current options for Western actions and, particularly, study the role which nuclear forces should play in Western defense capability, for "the agreements already reached on nuclear armaments (and expected agreements in the area of reducing conventional forces) question upholding the worth of many of the old concepts;"

Define more accurately the correlation between nuclear weapons and conventional potential (including the new generations of high-accuracy conventional armaments), analyze the need to modernize its weapons and, subsequently, correct its tasks in terms of the size of forces (and for purposes of talks) in the areas of nuclear and conventional armaments, taking such requirements into consideration;

In the course of the talks on reducing strategic offensive armaments, conventional weapons and armed forces and chemical weapons, develop the achievements which were reached in drafting the INF Treaty rather than ignore or dilute them;

Not stop at concluding agreements on medium and shorter-range missiles but, in the future, go farther in terms of strategic offensive armaments, suggest asymmetric reductions of conventional forces leading to the establishment of a quantitative parity on a significantly lower level.

"Unless the West formulates its own initiatives soon, one could expect," the Western specialists warn, "that M.S. Gorbachev will either formulate a new suggestion (such as, for example, a packet of measures combining the 'third zero option' with significant reductions in conventional forces, which could trigger major differences within NATO) or would take grandiose unilateral steps in order to win stronger political positions, or both."

Nonetheless, the survey contains a warning against hasty decisions on the part of NATO, which would change little. "The worst approach which NATO could take," the authors of the study emphasize, "in terms of differences of views within the Western alliance concerning the most expedient relations with the Soviet Union, would be an effort to find a 'fast solution,' and a hastily formulated strategy of hiding the cracks which, however, would not bring us any closer to surmounting the real differences and discords."

Therefore, what follows from the recommendations of the London Institute is that the West is realizing the need for the formulation of its own strategy for reducing and limiting armaments and armed forces. However, even in the future it fails to see the need for the total elimination of nuclear weapons and calls only for establishing the "optimal ratio" between nuclear and conventional forces.

It is not in vain that the survey considers questions such as strengthening bilateral relations in the military area between France and the FRG, broadening military cooperation between France and Great Britain, the military integration of Western European countries, etc. It is emphasized that France and Great Britain intend to implement their plans for updating and increasing their own nuclear forces despite the accelerated pace of armament control talks.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

**Position in Perestroyka and the Price of Competence; Survey of Economic Articles**  
*18020018n Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) pp 119-128*

[Review by Ye. Yasin, doctor of economic sciences, department head, USSR Academy of Sciences Central Economic-Mathematical Institute]

[Text] Today, more than ever before, the people want to understand the reasons for the unsatisfactory state of the economy, the vital problems and the ways to solve them.

Anything published on such topics is eagerly read and refracted through individual experience and influences everyone's stance toward perestroyka. The sharp, clear and emotional words of the political journalist enhance the activities of the public and anticipate future problems, some of which are beginning to be solved. Our time is such that the word is truly becoming action.

The flow of articles is high and saturated with the richest possible vital data. It is varied and heterogeneous. Finding one's way in it is no simple matter. In terms of the nature of the questions discussed, I would single out two basic genres. The first, the most widespread, deals with the facts. The essence of the majority of the articles in this genre is the signaling, the analysis of specific facts; it calls upon the responsible authorities to take steps and punish the culprits. This genre, which is natural above all for the newspapers, is of tremendous value as a means of exerting social influence on the centers of state administration. Today copies of newspaper articles can be frequently seen in the offices of even the loftiest institutions. They are discussed by collegiums of ministries and departments. To the scientist, this is the richest possible source of information. In itself, however, focusing on specific facts and on taking steps and the insufficient summations lower the impact of such publications on society.

The second genre is the analytical. The authors writing in it try to study phenomena and trends and seek the common reasons for our problems and difficulties. Today this is the most interesting material for which precise reason we shall be considering it.

Judging by external features, there is apparent unanimity: everyone is in favor of perestroyka, and everyone quotes Lenin and refers to party resolutions as proof of their accuracy. In fact, however, such is not the case. A variety of positions are held and one could speak of demarcation lines and grouping of forces different in terms of attitude toward perestroyka.

Nor could it be otherwise under the conditions of democracy: perestroyka changes the established correlation among social strata and differently affects their interests, while glasnost offers the opportunity to defend such views in the press. We have no need for a new artificial unanimity, which would be distinguished from the former only by the appearance of different views. A healthy society and economy greatly depend on the open discussion of problems and clashes of opinions, leading not to the defeat of one individual or another but to the victory of the most viable ideas. However, a fruitful debate demands certain prerequisites, above all substantive judgments, the ability to hear out one's opponent and to answer in terms of the essence of the matter. Alas, today such requirements are by no means always honored.

We shall concentrate on a topic which is being discussed most actively; its key words are plan, market and bureaucracy. The radical economic reform has once again made such topics sharply relevant. The new phase in the debate was opened by A. Strelyanny, with his article "Income and Expenditures" (ZNAMYA No 6, 1986). The journal followed that article with materials on the "cavalrymen" and "merchants," the socialism of feelings and the socialism of the mind. Such an energetic and conclusive argument in favor of the market under socialism and of acknowledging in fact the objective nature of economic laws defined one of the positions in the debate. It draws its arguments from the study of numerous facts which confirm that the main shortcomings in our economy are based on detailed planning by directive, a rationing system for the distribution of resources and an administrative-command management style. The market is considered not as a counterweight to the plan but as a necessary result of the elimination of restrictions which hinder backing socialist ideals with material sufficiency.

The radical nature of the current reform is that it is a question not of perfecting the only accurate model but of replacing it. Differences in positions and arguments are supported by two different models of a socialist economy. N. Shmelev identified them through the concepts of "administrative" and "cost accounting socialism" ("Advances and Debts," NOVYY MIR No 6, 1987). His article was noteworthy for its sharp condemnation of the existing economic management system, which conflicts with objective economic laws and undermines "labor incentives which developed in the course of the century and are consistent with human nature...." (p 144). The author did not fear openly to express his view on many problems which, only yesterday, were banned. Competition, which we have long abused, he described as an objective prerequisite, "without the observance of which no single economic system can be viable...." (p 154). He was among the first to call for abandoning prejudices concerning the shareholding form of ownership. Such views triggered in many people an internal, occasionally subconscious, opposition for the very reason that established views were being opposed and appeared to be trying to weaken the foundations. Today, however, it would be probably impossible to do without such views. Controversial views must today be valued more highly than conventional ones which cannot excite our thoughts and feelings.

However, as through sketching the rough outlines of a broad picture, occasionally N. Shmelev is unable to avoid unnecessary simplifications and approximations in some of his statements on important problems.

For example, he considers the NEP as some kind of an ideal, a "paradise lost," and the system which replaced it as the random whim of an evil genius, an anomaly conceived in the quiet of offices. Regardless of how just the criticism of it may be, we nonetheless believe that matters were not all that simple. The roots of that system

go very deep into domestic history and the tradition of socialist thought. It also has its own logic. Otherwise it would be difficult to understand the very fact of its appearance and durability and the difficulty of eliminating it. This was well described by I. Klyamkin ("Which Street Leads to the Temple?," NOVYY MIR No 11, 1987), M. Kapustin ("What Legacy Are We Rejecting?," OKTYABR Nos 4 and 5, 1988) and several other authors.

N. Shmelev claims that profit is the best criterion of efficiency ever discovered by mankind and suggests that "artificial indicators, such as conventional net output should not be devised in the various offices" (p 152). In principle, I agree on the subject of artificial indicators, although they do not include net conventional output. This description is indeed inept but let me point out that this indicator, otherwise known as the added value of processing, is being used throughout the world as the best yardstick of end results.

It is hardly necessary today to defend profit, which has become entirely respectable. The existing mechanism has adapted it to its needs. Under the new conditions as well it is rejected by no one. Let me point out, however, that the Law on the Enterprise stipulates two models of cost accounting. According to the second, the wage fund is based on what remains after all other payments and withholdings from the collective's income have been made. This model does not include profit as such. Its use in practice has yielded excellent results and a number of people have proved that it is precisely this model that is most promising in terms of cost accounting socialism. This is by no means a technical problem. It is essentially a question of whether we shall be able to find an alternative to the economic system, in which the elimination of the alienation of man from the means of production would create sufficiently strong incentives for labor and economic activeness. Otherwise, would we have to pit social forces favoring the "wage" category against those supporting "profit?" The new "cost accounting income" category makes us consider which option has more socialism in it: When wages are considered a cost or a share of the income, or else as what is left of the income after settling all accounts?

How to correlate cost accounting socialism with the plan? The article "Anatomy of Deficit" (ZNAMYA No 5, 1988) by V. Popov and L. Shmelev provides a comparative analysis of the different mechanisms for regulating ratios: market and planning based on directives and indicators. The authors cite interesting arguments supporting the fact that without a market there can be no efficient planning although, at the same time, a modern market needs to be systematically controlled. Such views were developed in the 1920s by the supporters of the so-called genetic approach to planning, who actively participated in the formulation of the First 5-Year Plan. Alas, both these views and their authors were given the harsh sentences characteristic of those times.

What are their opponents saying? Today they make few direct statements and we are unwilling to consider publications of the pre-April period, for their authors may have already restructured themselves. Actually, here is a suitable example. A. Ochkin published in NASH SOVREMENNİK (No 12, 1987) an economic report based on the materials of the All-Union Conference on Price Setting, entitled "Will the Price 'Absorb' the Profit?" The view of the author is unequivocal: Shmelev's "cost accounting socialism" allows phenomena such as competition, free market, unemployment and aspiration toward maximal profit. This is "nothing other than the revival of capitalist relations" (p 160). A. Ochkin agrees with M. Popov, who expressed at the conference the view that today centralized planning is losing its role and that along with it, we are abandoning the most important advantage of socialism. What to do? This too is clear: set on their feet the 5-year plans instead of all such innovations. "Yet we approve the 5-year plans at best in the middle and, as a rule, also at the end of the first year of the 5-year period." Generally speaking, the simple prescription is to bring order in this matter. But why is it that this has not happened so far and are there any reasons other than poor discipline? Yes, these reasons are the obstacles which are caused by the supporters of economic methods! Apparently, some population groups and collectives seem to be pursuing their selfish interests and trying to weaken the priority of the public interest. Therefore, we must support only those interests which are "truly socialist." What are they? And how should we support them? Clearly, we should ignore interests which "are inconsistent," which is what had been done so far quite successfully.

This is a simple and an open position, for which reason it lends itself to a straight assessment: this is dogmatism, openly pitted against the task of perestroyka. However, it should be considered, for it expresses the fears shared by many concerning the destinies of socialism. Is socialism threatened by the suggested reforms? This is indeed a serious question.

But here is L. Popkova ("Where Is the Richer Pie?" NOVYY MIR No 5, 1987), who undertakes to provide a simple answer: "Socialism, and this is my deep conviction, is by its very nature, by the concept of its creators, incompatible with the market....," she writes (p 239). Lenin always opposed the market and the entire history of real socialism has been a struggle against it. We have either plan or market; either a directive or competition. No third choice exists. In her view, this is confirmed by the efforts of the social democrats to humanize capitalism, efforts which, in the last decade, have resulted in a lowered economic efficiency. Briefly, what we have in our country is equality, employment and stability, but as to the pie... their pie is richer.

The conclusion is that any retreat from the "administrative socialism" which developed in our country turns out to be a rejection of socialism in general. Happily, however, socialism is not simply the result of brilliant minds but a real social system which develops on the basis

of its own objective laws. It is precisely those laws which have led us today to the elimination of obsolete mechanisms and views. Dialectics predicts the possible similarity between revived forms and forms which were rejected in the past. This may frighten the doctrinaires. However, one does not have to turn Lenin into a doctrinaire by ascribing to him never-changing views. In this connection, we find indicative the increased interest in the development of Lenin's views under the influence of the initial experience in socialist economic management. It is important to consider Lenin's mastery of dialectics and his ability to ignore dogmas.

Actually, let us not be hasty. Is there no third way? It turns out that such a way is familiar to M. Antonov, who is a new noteworthy phenomenon in journalism, and whose articles are willingly published in NASH SOVREMENNİK, MOSKVA, OKTYABR, LITERATURNAYA ROSSIYA, SOTSIALISTICHESKAYA INDUSTRIYA and other publications. He confidently proclaims that "the battle between the 'merchants' and the 'cavalrymen' is the fight between yesterday with the day before" (OKTYABR No 8, 1987, p 13). Today, when the groundlessness of command methods is clear to all, and when the market as well causes some apprehension, the people listen to such statements.

M. Antonov simply stigmatizes the "cavalrymen," considering any other comment on their subject unnecessary. But what incriminates the "merchants?" Above all, their acceptance of economic management methods and material incentive. Here as well the author spares no words, for he is convinced that this is what undermines moral foundations. Academician A. Aganbegyan expresses the assumption that one should not expect a labor exploit from a worker in culture earning a 130 ruble salary. This irks M. Antonov. No, he does not oppose raising their salaries but firmly emphasizes that it is precisely among such workers that one finds a particularly large number of supporters. All we have to do is satisfy our most basic needs, he writes, and "everyone would see how insignificant material incentives are to us...." (MOSKVA No 3, 1988, p 18). It is claimed that distribution according to labor can be achieved only then and that it is thus that efficient incentives can be created, consistent with the nature of socialism, when one could freely purchase with the money one has earned an apartment or a car, and even invest personal funds in the development of an enterprise, for we are trying to turn the worker into the owner of public property. However, M. Antonov harshly condemns them in the name of the entire nation; everything is clear: nothing for the poor and everything for the rich. "Should this be the nature of socialism—a society of social equality?" (p 17). He immediately follows this with the claim that he does not favor equalization. In that case, however, how to interpret the statement we quoted?

How deeply the idea of "universal equality in poverty" has become instilled in us, allowing only for minor deviations! We should remind its supporters of Engels'



words to the effect that to the proletariat equality consists of the demand that classes be eliminated, while "any requirement of equality, which goes beyond this, inevitably leads to stupidity" (K. Marx and F. Engels "*Soch.*" [Works], vol 20, p 108). Socialism must above all ensure the material well-being and proper life for all working people. Social equality should be such as to contribute to, rather than hinder, this.

M. Antonov provides rather original proof. For example, he pits A. Aganbegyan, who considers that the prime task is to saturate the market with goods and for each ruble to be supported by the market, against the noted kolkhoz chairman M. Vagin. On what grounds? It turns out that M. Vagin has said that the countryside is oversaturated with money and that there are many people who are not eager to earn it. Therefore, M. Antonov triumphantly says, the man behind the plow knows that money does not mean happiness, unlike the academician who promotes the faulty model of the "economic man." The naive reader may fail to notice the substitution in this case. In fact, both Vagin and Aganbegyan say the same thing: that today's ruble provides no incentive, that it must be made substantial, so that earning it could have a meaning, which is the exact opposite of what Antonov says. However, he considers such arguments sufficient for describing A. Aganbegyan as an opponent of perestroika and a representative of "backward theoretical views," accusing him of "economism" (MOSKVA No 3, 1988, p 19). To what kind of "economism" is he referring? To the type, Antonov claims, which V.I. Lenin himself criticized as a trend in the labor movement. What is there that links "economism" with today's support of economic management methods and on what grounds can they be related? Most likely, none other than the desire to hide behind Lenin's authority in Antonov's "exposures."

Another negative example of such means is Antonov's criticism of political economy. Do not think that this applies to socialism where, one would say, there may be something to criticize. No, he criticizes classical political economy. According to our critic, such an economy could be born only in mercantile Europe but not in Rus, where spiritual values were always honored above material ones. Apparently, mercantile ideals are alien to the Russian person, for which reason we need to have our own, our national political economy. We are familiar with the theme of genetic predetermination from N. Andreyeva's notorious letter! But what about proof? On this matter there is no way to quote Lenin, for which reason A.S. Pushkin is brought in. It turns out that he was a firm supporter of a national political economy, blaming Onegin for reading Adam Smith and that he was aware of the way the state was getting richer and the reason "for which it did not need gold when the simple product was available." Actually, how do we know that he blamed Onegin? Well, even Onegin's close relatives, who had not been contaminated by the corrupt spirit of foreign science, neither understood nor approved of him. Such is the way M. Antonov interprets the following

lines: "His father could not understand him and he mortgaged his land" (see NASH SOVREMENNİK No 7, 1986, pp 15-16). Such is the level of his arguments.

According to M. Antonov, the positive program of the "third way" includes three main points: self-management, the civilized member of the cooperative, and giving priority to social tasks and moral ideals. All of these are good words but what stands behind them? Nothing, if we look into it. But let us provide proof.

M. Antonov asks for self-management as an alternative to the market, as self-regulation by the economy, which is considered proof of the "groundlessness" of people under capitalism: "We need not a self-regulating economy but a self-regulating society in which the economy is controlled by the people" (MOSKVA No 3, 1988, p 20).

I have read with great attention a number of articles by Antonov, trying to understand how he intends to organize the self-management of the economy on the social scale. Alas, not a word is said about it. There is praise for the cooperative, the association. However, a large number of associations do not by themselves form a society. Today everyone supports the idea of cooperation, at least verbally. The problem lies elsewhere: Does the cooperative provide an alternative to the plan and the market? There is a debate on this subject. The essence of the problem is the following: a large number of differently organized production units exist; state enterprises and cooperatives are varieties of these. In a certain way, a social connection must be organized between them, ensuring the coordination of their activities, exchange of goods, and so on. The market, a market economy, is one such historically developed form. Another, in the creation of which we hold world priority, is the plan, so far understood essentially in the sense of apportionment of natural assignments and division of resources. Combinations of such forms are possible. However, would it be accurate to say that the cooperative is third in line? Not ever! A cooperative presumes above all autonomy and direct links among equal partners and, therefore, a market. Yu. Apenchenko (ZNAMYA No 11, 1987, p 172) notes with perfect accuracy that according to Lenin the civilized member of a cooperative is a knowledgeable tradesman and that pitting him against the merchant and the market, as M. Antonov does, is unsuitable. The response to this is quite typical. Talk, M. Antonov advises, to economic managers and you will find many knowledgeable traders but "you could hardly describe the majority of them as civilized" (p 26). This, however, is not an answer but the avoidance of one.

How many moral values could be instilled in opposition to economic laws? Marx clearly indicated that "the idea" is inevitably put to shame the moment it is separated from "interest" (Op. Cit., vol 2, p 89). Lenin insisted that "we need not sanctity but ability to do the work" ("*Poln. Sobr. Soch.*" [Complete Collected Works], vol 54, p 88). This must not be forgotten. Today there is great demand for morality, goodness and kindness which, perhaps, are

in very short supply in our country. Nonetheless, I would consider more dangerous an immoral pitting of those qualities against economic management methods and material interest.

M. Antonov tries to separate himself from the "cavalrymen," from bureaucratic centralism. But here is the third point in his program. How does he propose to solve social problems and to strengthen morality? First, by establishing the priority of political and social tasks compared to economic. Let me point out that for a number of years the slogan of the priority of politics over economics has been used to hide arbitrariness, irresponsibility and inefficiency. But let us go further. Second, enterprises should be issued assignments not only for output and profits but also for their contribution to upgrading the quality of life of the labor collective and the settlement. Is it possible for such a highly respected political journalist not to know that such assignments have long been issued by ministries and raykoms! Nonetheless, this did not improve the quality of life. The result is that the same old administrative methods may be found behind the beautiful words about self-management.

Should so much attention be paid to this? Yes. Unfortunately, public opinion is influenced not by the power of arguments alone. Unsubstantial ideas, presented in a bright verbal packaging, could be dangerous if they appeal not to logic but to the emotions of the public, turning it against vitally necessary changes.

Whereas, as we saw, differences of opinion exist on the subject of the market, today bureaucratism is condemned almost unanimously. However, if we listen closely we could distinguish in the chorus of exposures and in the nature of the steps suggested, themes which are quite dissonant.

For example, A. Buzgalin and A. Kolganov firmly pit bureaucratism against self-government. There should be no competing customers but consumer associations which control and regulate trade and production on a planned basis. They caution us that the market will not help in the struggle against bureaucracy, for it will shift from ministries and departments to enterprises, where we shall have a growth of "technical-managerial trends" and a new "clever, cultured and economically more knowledgeable bureaucracy," which will thus only strengthen itself and will once again rule the masses (SOTSIALISTICHESKAYA INDUSTRIYA, 9 April 1988).

Yet another important excursion in the topic of surmounting the bureaucracy is made by V. Kuzmin ("Excesses of the Apparatus," SOVETSKAYA ROS-SIYA, 31 March 1988). To start with, he claims that at the beginning of 1986 the administrative authorities had a total of 32.6 million "filled vacancies." This is indeed a great deal, perhaps for the fact alone that the figure is based on official statistics and in this case, in my view,

there are no reasons not to trust that we have 18 million managers, most of whom are not part of the administrative authorities but work at enterprises. Unless we interpret the term "filled vacancies" in the sense that 2 or 3 positions could be held by a single person, the author should explain how he reached this terrifying figure. Understandably, the article does not provide any explanations but the impression has been created: the reader is ready for any decisive steps to reduce the apparatus. However, let us consider what is being offered: what is being offered is to structure the apparatus on the basis of the science of organizational management, i.e., clearly to define the functions of each authority and to provide the necessary information and respective structure to this effect, to introduce indicators of efficiency and choose cadres in such a way that they can implement their functions in the best possible way. Furthermore, since the specific features of the work of any agency, according to the author, are substantially fewer than similarities, and it is precisely references to specifics that justify the excesses, management functions and projects must be carefully classified and their standards must be formulated and approved. Furthermore, "the most urgent step" is that of enterprise documentation, for without this it is impossible objectively to assess the enterprise's potential and if the potential is unknown how can an enterprise be converted to cost accounting? We read all this and we think: in order to accomplish all of this: classification, standardization, documentation and "objective evaluation," even 32.6 million jobs would not be enough.

What worries us in these suggestions is that, for some reason, they do not affect in any way the position of the bureaucracy but, conversely, make it deflect the strike. Let us think about it: Do we need an efficient organization of management? Unquestionably, we do. But if anyone would assume that the task is to preserve in its entirety the present administrative hierarchy, from top to bottom, and to improve its efficiency, he would be deeply mistaken: this would mean fighting bureaucratism by strengthening bureaucratism. Bureaucratism is a stereotype and opposition to variety, which is at the origin of all motion. V. Kuzmin suggests to us to apply this stereotype ubiquitously.

Naturally, reducing the apparatus through the apparatus itself is not considered an advantage. Those who are eliminated, however, are those whose position puts them "above the masses." Few reductions are necessary; as A. Druzenko has pointed out, what is needed is a "transformation of the apparatus" (IZVESTIYA, 13 April 1988). In that same newspaper G. Lisichkin reminds us, not without a reason, that professionalism is needed everywhere and that management needs skilled specialists. Labeling all of them bureaucrats and frightening us that by becoming more clever and knowledgeable they will become even more dangerous would mean to oppose not bureaucracy but efficient management. Since this is a hopeless project, it does not threaten the bureaucracy.

Yes, the market will demand that knowledgeable and energetic managers work at enterprises. However, to sound the alarm today on the subject of the threat they may present means, in my view, to draw the attention away from the present economically illiterate bureaucrat who, however, has mastered the art of the apparatus. The enterprise administrator, who is feeling the pressure of the market, on the one hand, and of the labor collective, on the other, could hardly become a bureaucrat in the precise meaning of this term, for he must take these forces into consideration. He will become a bureaucrat if his well-being depends not on the consumer and the worker but on his superior, and on him alone.

In order for self-management to become a true instrument of democratization of economic life, in my view, we need certain conditions which would create a real interest in all working people in the result of the work of the collective and, particularly, an interest in long-term results and the development of production on a contemporary technical base. Combined with economic methods of centralized management, the market is one such prerequisite but by no means an alternative.

However, other examples of the study of the problems of bureaucratism exist as well. The small review by G. Popov of the novel by A. Bek "*Novoye Naznachenie*" [New Appointment] (NAUKA I ZHIZN No 4, 1987) had a tremendous impact on social thinking throughout the country. The explanation is simple: the article answered questions which concern everyone not only in an accessible fashion but also profoundly, I would say on the level of a scientific achievement. The term administrative system was introduced in our circulation for the first time and was defined as a system of specific, natural management from a center, reaching to the very bottom through the hierarchy of administrative subordination, down to the shop, machine unit or job. Its principles include efficient organization, one-man command, formal relationship and strictest possible discipline, based on the "subsystem of fear." Its essence is the appropriation of power without responsibility to those who are managed and without control by the latter.

The administrative system is outstandingly described in the essay by I. Vasilyev "Let Us Acquire a Voice and Become Citizens" (NASH SOVREMENNİK No 6, 1987). This is a serious socioeconomic study of bureaucratic work based on an indicator which turns into an "embellished, most convenient and suitable measure for the 'administrator'" (p 119). The author delicately hints at the "rural office," in the vicinity of which, for the convenience of the chief, all services have been located, including the medical, so that, whenever a command is issued, everyone can be efficiently harnessed into its execution. What is important is that the author shows the way the party authorities found themselves involved in the operation of this machinery and the reason for which they manage rather than lead. What does the raykom do if the milk production index is low? "It seeks the reason in technology. It grabs the first, most visible

and seemingly essential link: feeding. This is followed by instructions.... such as pour in the feeding trough 100 grams of meal...." (p 119). Should social conflicts break out, they are frequently unnoticed by the raykom because of concern with feeding, milking, and harvesting, although that is not what the raykom should be dealing with. By involving the party in its structure, the administrative system pushes it toward bureaucracy, toward weakening its role as a political vanguard.

Bureaucracy does not mean in the least rule by the political leadership at the peak of the pyramid but the apparatus, the system itself which tries to promote leaders and to impose decisions it finds suitable and, should it fail, to sabotage the implementation of decisions which are not in its interest by distorting their meaning. It is not a question of the ill will of individuals but a law of the system, which imposes upon it stereotypes of behavior in accordance with the role played by such individuals. With the help of the "subsystem of fear," the Boss, who created the system, was able to rule it. Subsequently, however, particularly during the period of stagnation, the system proved all that it was capable of doing. S. Andreyev ("Cause and Effect," URAL No 1, 1988) proved the way one after another the implementation of the most important party and government resolutions was frustrated, the way they were forgotten without anyone being held responsible for their failure, and how, once again, resolutions were passed on the same problems and with the same results. Meanwhile, resolutions on departmental privileges, the creation of new agencies and the appropriation of funds for them were executed quickly and unquestioningly.

However, such usurpation of power inevitably undermines the democratic foundations of socialism and leads to an alienation from means of production which officially belong to everyone and to the weakening of economic activeness. The consequences of this are a distortion of socialism, stagnation and inevitable sliding toward a crisis. I. Klyamkin asks the natural question: Why is there a cyclical intensification of economic or administrative methods? If these are historical cycles, perhaps we should take a closer look at them?

In my view, the explanation is simple: life forced us to take facts into consideration and led us to the acknowledgment of objective economic laws. On each such occasion, however, progress in that direction harmed the interests of the bureaucracy and it found means of turning matters back. Since the administrative system has never been questioned so far, no difference has ever been made between it and socialism and all reforms, as G. Popov notes, were aimed only at reforming, at improving it. The economic foundation of the positions of bureaucracy were thereby protected. It was only at the 27th Congress that the question arose for the first time of not mending but replacing.

I am convinced that the "plan or market" dilemma does not exist. By eliminating the hierarchy of subordination and replacing it with a network of horizontal relations

among equal partners, in the same way as democracy and self-management, the market is opposed not to the plan but to the administrative system which only hides behind the plan and the ideals of socialism.

Yes, organizing a socialist market and finding planning methods consistent with it are no simple matters. We must take into consideration not only the positive but also the negative aspects of the market mechanism as well as the doubts of those who remind us that the market is a social institution which dictates to people certain values and orientations and that the historical traditions related to it are almost totally lacking in our country. The new economic system affects the foundations of national life, by virtue of which any haste in establishing it, and any anticipation could trigger the opposition by no means of the bureaucrats alone.

All this is true. However, not one of its critics offers a real alternative. The difficulty of the problem only emphasizes the scale and the truly revolutionary nature of perestroika processes. The time has now come to convert from general discussions about the plan and the market to the study of their truly socialist nature and to the mechanisms of their practical combination in the course of the economic reform.

Characteristically, most authors show a greater inclination to study the problems of the past and to use the backup accumulated in the course of the years. The study of current problems is limited to literally a few topics: excessive state orders, arbitrary formulation of rates, the durability of "gross output," and continuing ministerial administering. Such "negatives" are explained by S. Andreyev and many others only in terms of the opposition of the bureaucracy. I do not wish to belittle the significance of this factor but it too is subject to certain foundations and conditions, the identification of which would enable us more realistically to assess the means of solving arising problems.

One of the so far infrequent efforts to interpret the course of the reform has been made by N. Shmelev ("New Concerns," NOVYY MIR No 4, 1988). The situation is quite complex: we are facing an opposition to change, improvements are minimal and all of this undermines faith in the efficiency of the suggested reform program and does not allow us to surmount apathy. The main thought of the author is that "we need success, visible success" not sometime later but in the immediate future. The trends which are developing are not very encouraging. For that reason he seeks even more decisive steps such as the total elimination of the administration of agriculture, abolishing in it all assignments and restrictions, developing cooperatives and leasing, regulated exclusively through a progressive taxation, hoping that we shall have enough "Arkhangelsk muzhiks" who would quickly advance the solution of the food problem. Such views are expressed by many others, and they are quite right. However, we must not ignore the fact that in the course of the transition from administrative control

to control by the market, there may be a reduced volume of output. The real market, considering the extant organized system of relations and rivalries as well as cooperation, urged on with economic incentives, is as yet to take shape. This is a difficult process which involves risk. Suggestions aimed at giving up pursuit of rates of quantitative growth, enhancement of foreign economic relations and rapid development of an internal credit market are quite timely. Nonetheless, we understand the aspiration of the author to suggest radical measures which would lead to a fast success which, characteristically, and incidentally not only in his case, occasionally leads to underestimating the difficulty of the real problems and to their simplified depiction.

Naturally, under certain circumstances foreign loans could be used. A foreign debt should not trigger unreasoning fears. However, we must look at things soberly, and assess the burden which our economy, in its present condition, could withstand.

Setting high withholding rates from profits for the budget, particularly in light industry, is being justifiably criticized. However, even those who have been given better rates, and they are many, cannot make use of the funds they have earned. The scarcity of virtually all production resources is worsening.

The share of state orders is high, which reduces to naught the autonomy of enterprises and emasculates the essence of the law which must become the foundation for the reform. We are scheduled to lower this share in 1989. What will the results be? There is no need to guess: available experience enables us to predict that production will begin to decline for many items which are not included in the state orders, for incentives are still weak.

The solution to this is seen in the use of contractual and freely set prices. This would make it possible to encourage increased output of goods in demand. However, the rate at which prices would increase is difficult even to predict. Yet wholesale prices determine retail prices, population income, subsidies and compensations. This is a tangled knot which must be unraveled without breaking the threads.

The question is not one of slowing down the changes. Consistent and decisive steps must be taken, but at the necessary point and after careful consideration. Our difficulty is that sometimes we do not know quite well where to invest our decisiveness and energy, and what is the link in the chain which we should grab.

Rates, rate orders and prices all come to rest against the problem of material-financial balancing. Scarcity is merely another name for it. Such scarcity is based not only on the shortage of goods but, above all, on the gap between the amount of money in circulation and the amount of supporting resources. In an unbalanced new economic management mechanism economic incentives will not function, for they need a strong ruble. To

achieve this, all the channels through which surplus money begins to circulate should be blocked, including a substantial reduction in state expenditures, above all on numerous and inefficient projects; resources should not be used for the production of goods for the sake of fulfilling the plan or the meeting rate or else for supporting failing enterprises; some of them must be closed down and we must stop paying unearned wages even if many people have become accustomed to consider such wages as earned. Virtually everyone should feel through his own pocketbook that he must work harder. We must not remain silent if anyone we see disorganizes the common work through his irresponsibility, slackness or inability. For this is not simply an economic but also a serious socioeconomic problem. For the time being, however, it has been virtually ignored by our political writers.

Today it is no longer enough to explain the "anatomy of the deficit." We must discuss most loudly methods for the treatment of this pathological situation and not only the sparing forces of the organism but also those which require the mobilization of all of its defense forces. The June 1987 CPSU Central Committee Plenum passed a resolution on a program for the financial improvement of the national economy. It is time to submit it to wide discussion.

Yes, a tangible, a visible success is needed, particularly in terms of saturating the consumer market. Today many people are worried by the condition of the stores and the stability of their own incomes. That is what makes noteworthy the suggestions formulated by V. Selyunin (ZNAMYA No 7, 1988) of increasing the share of the consumption fund by sacrificing accumulations and growth rates which this entails. These are serious arguments and, we hope, our planning authorities will consider anything that appears valuable.

However, a perfectly right concept could become vulnerable if the selection of arguments and factual data on which it is based is not sufficiently strict. V. Selyunin defends the concept that the share of accumulations in our country is exceptionally high, much higher than the official 25 percent, and that with the help of prices and value indicators it appears substantially lower in statistical reports. He points out as his main argument the fact that the consumption fund is measured in terms of retail prices while the accumulations fund is determined in terms of wholesale prices. The difference between them—the nearly 100 billion rubles' worth of the turnover tax—inflates the consumption figure. Twenty to 25 years ago such computations would have been essentially accurate; at that time the so-called two-step price system was a reality. Today, however, as economists, such as B. Smekhov, have justifiably pointed out, subsidies of retail prices almost equal the turnover tax, for which reason this argument is invalid.

According to V. Selyunin, sectors engaged in the production of consumer goods have an increased profitability, based on differences in profits per ruble of production assets in the light industry and power industries. I will

never believe, he writes, that workers in electric power plants work 75 percent less efficiently than workers in the clothing or shoe industries. Electrical engineering, however, unlike light industry, is a rather capital intensive sector. If we speak of workers, we should correlate their number to their profits. A different picture would emerge.

However, it is not a case only of the accuracy of computations. Actually, the center of gravity and the main emphasis in V. Selyunin's article is his opposition to a "self-consuming economy," i.e., production for the sake of production. This is a very important and relevant idea. Turning the economy to face the needs of man is a most urgent task. However, it must not be simplified for this would not make its solution any easier. It took many years for the administrative system to develop an economic structure it found suitable, one of the properties of which was neglect of the consumer and giving priority to primary resources compared to the efficiency with which they were used. Resources are used less for purposes of accumulation than for concealing unjustified expenditures. This is confirmed by all the examples cited in the article. Let us recall that a faster growth for group "B" products was planned in just about each 5-year plan, starting with the 8th. Actually, group "A" always turned out ahead. The story is repeated today. Why? Because this is assisted by the "heavy" structure of the national economy and the entire system of organizational-economic relations. It is the radical reform, along with the technical reconstruction of public production, that should remove them and eliminate inertia. However, this takes time. Unfortunately, no easy solutions exist. Where, in my view, V. Selyunin is absolutely right is that we do not need to maintain a pace for the sake of the pace and at all cost; in terms of the contemporary Soviet economy a 25 percent accumulation is excessive. In the industrially developed countries this indicator rarely exceeds 20 percent.

Prices are of tremendous importance in solving the problems of balancing, production incentive and meeting solvent demand. The fate of the economic reform as a whole will largely depend on its key unit—the price reform. Unlike some other problems of the current transitional period, price-setting is being subjected to a lively discussion. This particularly applies to retail prices, which is natural, for prices and incomes are a problem which affects everyone.

Opinions are divided. The supporters of increasing the prices of food products sensibly point out that such prices must flexibly reflect the correlation between supply and demand. It is an intolerable situation when the increased production of meat, which is in short supply everywhere, steadily widens the breach in the state budget. Their opponents bring forth arguments of a different caliber. A. Ochkin, for example, limits himself to stating that the low prices of food products are one of our advantages which "in no case should be lost" (NASH SOVREMENNİK No 12, 1987, p 157).

B. Kulikov as well presents a traditional set of simple ideas ("How to Manage Our Home?" NASH SOVREMENNIK No 7, 1988). He begins by equating the price-setting reform with mechanical changes in current price lists. Hence the categorical conclusion that never and at no time has this rescued the situation. At this point there is both a switch in topic and an a priori truth is quoted as the final authority. Second: monetary compensation merely replaces one subsidy with another. Here again equal figures conceal different economic influences. This is essentially wrong. The question is how to compensate. Wage increases are as much a compensation as increasing pensions and aid. Third: reforms would yield no results if we rely on the element of the market and neglect real Marxist-Leninist political economy. Here again we have a choice between the plan and the market.

We also come across a radical line. Recently the noted political journalist A. Nuykin published an article on the problem of prices as well (OGONEK No 22, 1988). His basic thought is the following: we need the type of radical reform of the economic system which would lower expenditures. Increasing prices under present circumstances would not bring about any production increase nor has it done so earlier, and would play only in the hands of bureaucrats and loafers. The fears expressed by A. Nuykin are just and shared by many. However, by undertaking a discussion of such a sensitive topic as prices, it would be good to add knowledge of the essence of the problem to civic feelings.

Thus, the author firmly opposes price increases for primary resources and censors scientists who insist on that. However, he undertakes to protect the use of natural resources without payment, which leads to their predatory utilization. Payment for resources is one of the important principles of cost accounting socialism.

According to A. Nuykin, we should not convert to free market prices of food products, for production is dominated by monopolies which will immediately begin to inflate prices. He immediately adds, however, that prices must not be decreed from above, for the officials would make them equal to "real," i.e., unjustified outlays. Yet prices can be either free or decreed. No third choice exists.

It is not true that we have a monopoly in the production of comestible products. If such monopoly exists, it applies only to the departmental monopoly over the purchasing and distribution of products, which would be relatively easy to eliminate. Prices would begin to rise not because of such monopoly, for it is precisely it that keeps them low, but as a result of imbalance and excess money in circulation: with the present prices demand greatly exceeds supply. The competition which the author describes would, in this situation, develop only among consumers. The result would be that in order to have a healthy competition it is precisely balanced prices that we need, higher than current ones. This may be unpleasant but is dictated by an objective economic law.

Lack of space does not permit me to analyze all the arguments formulated in the discussion about prices. I would like, however, to see less emotions and more competence in the solution of this difficult problem. There is plenty to argue about: what to do so that the reform must mandatorily bring about increased output and for losses to the population to be fully compensated in the best possible way, on a one-time basis or in several stages and through direct compensations or any other method. However, alas, the press does not discuss such problems. Yet the various departments are drafting plans which could include decisions which may by no means be the best. Here as well I entirely share A. Nuykin's fear that the nationwide discussion could turn into a soccer game in which everyone would know in advance who will score and by how much. The departments must submit projects without hiding behind the authority of superior party and state agencies. We must not allow for the fears of the people, based on past experience, to be justified. The time has come for the political journalists to concentrate on this matter and to demand an extensive discussion of projects: let the departments themselves submit them to the people. At the same time, let them encourage the people to think seriously of the fact that what we need is not simply a price list but changes in the consumption structure and even the way of life, in accordance with the new face of socialism, in which every healthy and able-bodied person must earn much more but also pay for satisfying a much broader range of his needs, meeting the full price. Such precisely is the objective, in my view, that should be pursued in the price review, and by no means any reduction of budget subsidies. This would make it clear that the problem of compensations as well cannot be solved by simply distributing matching funds but that it requires a profound restructuring of wages, social benefits, and so on. We also need the type of steps in the restructuring of the economic mechanism which would guarantee the increased availability of scarce goods, should their prices be raised.

Another question arises in this connection: different paces may be used in solving such problems and in implementing the reform in the economic management system. We could arbitrarily single out an accelerated and a moderate option. A. Popov has already spoken out in favor of the accelerated option, which would yield fast results and would not allow the bureaucracy to adapt (SOTSIALISTICHESKAYA INDUSTRIYA, 5 April 1988). However, he mentions quite briefly its cost, which would be significant. The moderate option is based on a 3 to 5 year program for economic stabilization, which would enable us to lower costs but also would yield tangible results later. This option as well should become the subject of discussion and social choice.

We are engaged in a difficult march. Perestroyka is advancing with heavy fighting. Each battle, depending on how it was waged and ended, makes changes in the ratio of forces and attracts or alienates supporters. Real success is determined in the production area, where the

ability of the new economic management methods to influence the shape and nature of store shelves and improvements in the life of the people are tested. However, achieving this success depends to a tremendous extent on changes in the social consciousness, the destruction of the old stereotypes and the formulation of new values consistent with the recreated Leninist image of socialism. Here as well political journalism must be at the cutting edge. Today, as Yu. Chernichenko has pointed out, "it becomes a means of teaching society to think" (LITERATURNAYA GAZETA, 27 April 1988). In order to achieve this we must face everyone with the most difficult and painful problems of perestroika but intelligibly, without simplifications and adaptations. The solution of these problems is the essence of the political choice which, henceforth, is increasingly becoming the democratic and conscious choice made by millions of citizens.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

#### **Chronicle. Meetings With the Editors**

*18020018o Moscow KOMMUNIST in Russian No 12, Aug 88 (signed to press 5 Aug 88) p 128*

[Text] A broad range of problems related to the economic reform and the democratization of the life of the party and the society were discussed at a meeting between the editors and workers and employees at the 2nd State Bearings Plant. Particular attention was paid to the results of the work of the 19th All-Union CPSU Conference.

KOMMUNIST was visited by Professor Pham Ny Kiong, chairman of the Social Sciences Committee of the Socialist Republic of Vietnam. A thorough discussion was held on the journal's activities on implementing the tasks set to the party and the people by the 19th All-Union CPSU Conference. Also discussed were problems of increasing cooperation between social scientists in the Soviet Union and the Socialist Republic of Vietnam. In this connection, KOMMUNIST expressed interest in joint publications by Soviet and Vietnamese scientists on problems of building socialism.

A meeting was held between KOMMUNIST editors and a delegation of ideological workers from the German Communist Party, headed by Willi Gerns, member of the Presidium and Secretariat of the Board of the German Communist Party. The West German communists

were interested in topical problems of the renovation of socialism and the reform of the Soviet political system in the light of the resolutions of the 19th All-Union CPSU Conference.

The results of the 19th All-Union CPSU Conference and the problems of ideological work at the new stage in the development of the party and Soviet society were the topics of a discussion between the editors and Gabriel Okobe, political commentator for the newspaper NIGERIAN TIDE (Nigeria), who is visiting the Soviet Union for the purpose of writing a series of articles.

The editors were visited by Krishan Dhar, editor-in-chief of the newspaper HINDUSTAN TIMES (India). The discussion dealt with the steps drafted at the 19th Party Conference on the democratization of the party and society; an exchange of views was held on the course of perestroika in the USSR. The Indian guest was also interested by the work of the journal and the role of the mass information media in the process of renovation of Soviet society.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

#### **Publication Data**

*18020018p Moscow KOMMUNIST in Russian No 12, Aug 88*

English Title: KOMMUNIST, No 12, August 1988

Russian title: KOMMUNIST, 12 (1328), Avgust 1988

Editors: N.B. Bikkenin (editor-in-chief), A.I. Antipov, E.A. Arab-Ogly, B.S. Arkhipov, K.N. Brutents, Ye.T. Gaydar, I.A. Dedkov, V.I. Kadulin, S.V. Kolesnikov, O.R. Latsis, Yu.L. Molchanov, Ye.Z. Razumov, V.F. Rubtsov, N.N. Sibiryakov, Yu.A. Sklyarov, V.P. Trubnikov, P.N. Fedoseyev, S.F. Yarmolyuk.

Publishing House: Izdatelstvo "Pravda"

Place of Publication: Moscow

Date of Publication: August 1988

Signed to Press: 5 August 1988

Copies: 995,000

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda", "Kommunist", 1988.

END



10

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, economic, military, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available source; it should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed, with personal and place names rendered in accordance with FBIS transliteration style.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

#### SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.